



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavy
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

**AGENDA
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION
WEDNESDAY, AUGUST 27, 2008**

**12:00 NOON
LOMITA MANOR
24925 WALNUT STREET
LOMITA, CA 90717
(310) 534-6843**

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1. Call to Order

2. Roll Call

**Severyn Aszkenazy, Chair
Adriana Martinez, Vice Chair
Philip Dauk
Lynn Caffrey Gabriel
Henry Porter, Jr.
Alberta Parrish**

3. Reading and Approval of the Minutes of the Previous Meetings

Regular Meeting of July 23, 2008

4. Report of the Executive Director

5. Public Comments

The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

6. Staff Presentations

Quarterly Status Report – Geoffrey Siebens



Regular Agenda

7. **Approve Settlement of Tort Liability and Civil Rights Case of Shalon Ennis and Erica Lewis vs. the Housing Authority of the County of Los Angeles and Carlos Jackson Case No. BS 098 739(All Districts)**

Recommend that the Board of Commissioners find that approval of a settlement in the above tort liability and civil rights case is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action is not defined as a project under CEQA; approve a settlement in the amount of \$49,999.99 to Erica Lewis and \$15,000.00 to Shalon Ennis for Ennis and Lewis vs. the Housing Authority of the County of Los Angeles and Carlos Jackson and authorize the Acting Executive Director to execute a settlement agreement, following approval as to form by County Counsel. (APPROVE)

8. **Approve Video Surveillance Systems Monitoring and Maintenance Contract for Housing Developments within Los Angeles County (All Districts)**

Recommend that the Board of Commissioners find that the ongoing monitoring and maintenance of video surveillance systems is exempt from the California Environmental Quality Act; approve and authorize the Acting Executive Director to execute a one-year Contract in the amount of \$56,565 with West Beach Systems for the monitoring and maintenance of the Housing Authority's video surveillance equipment located at 14 housing developments; authorize the Acting Executive Director to execute amendments to the one-year Contract, following approval as to form by County Counsel, to extend the time of performance for a maximum of two years; authorize the Acting Executive Director to execute amendments for any additional services up to \$85,000 over the term of the Contract. (APPROVE)

9. **Approve a 20-Year Ground Lease with a 5-Year Renewal Option with The City of Long Beach (All Districts)**

Recommend that the Board of Commissioners find that the approval of the attached 20-year Ground Lease Agreement, with a 5-year renewal option, is exempt from the provisions of the California Environmental Quality Act; authorize the Acting Executive Director to execute the attached Ground Lease Agreement for a period of twenty years; authorize the Acting Executive Director to execute a renewal option for an additional five years. (APPROVE)

10. **Housing Commissioners Comments and Recommendations for Future Agenda Items**

Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or by e-mail at marisol.ramirez@lacdc.org, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

MINUTES FOR THE REGULAR MEETING OF THE

LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, July 23, 2008

The meeting was convened at the Housing Authority's main office, located at 2 Coral Circle, Monterey Park, California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Severyn Aszkenazy at **12:10 p.m.**

ROLL CALL	<u>Present</u>	<u>Absent</u>
Severyn Aszkenazy	X	
Adriana Martinez	X	
Philip Dauk		X
Lynn Caffrey Gabriel		X
Henry Porter, Jr.	X	
Alberta Parrish	X	

PARTIAL LIST OF STAFF PRESENT:

Bill Huang, Acting Executive Director
Bobbette Glover, Assistant Executive Director
Maria Badrakhan, Director, Housing Management

GUESTS PRESENT:

Ms. Carol Bogan, Marina Manor resident.

Reading and Approval of the Minutes of the Previous Meeting

On Motion by Commissioner Porter, seconded by Commissioner Martinez, the Minutes of the Regular Meeting of June 25, 2008 were approved. Commissioner Aszkenazy abstained.

Agenda Item No. 4 - Report of the Executive Director

Bobbette Glover reported on the following items:

Ms. Glover asked Ms. Margarita Lares, Director of Assisted Housing, to provide an update on the Section 8 Choice Voucher Program. Ms. Lares reported that the Yardi implementation is complete, and that staff had devoted much time and effort to ensure the accuracy of landlord payments prior to the August 1 mailing. As a result of these efforts, lease-ups and annual re-examinations have slowed; however, after the first payments are issued, staff will refocus on these areas.

The Office of Inspector General is conducting a new financial audit consisting of an initial survey, followed by a recommendation for a comprehensive audit. A review of the Voucher Management System will begin the week of August 11, and will include Financial Management staff. Ms. Lares reported that all of the issues raised in the Re-Examinations Audit for 2006-07 have been addressed; however, the local HUD office is now requesting additional information. A response will be submitted prior to the September 30 deadline. The Housing Authority has not received any directive on the refund of the \$3.2 million, the 10% withholding in administrative fees, or the personnel directives.

Ms. Lares reported on the three-day confirmatory review for 2006-07 conducted by HUD staff representing the Recovery Center. HUD has expressed concerns on the following indicators: expanded housing opportunities, pre-contract inspections and annual re-examinations. The Housing Authority is prepared to respond. HUD will return during the week of July 28 to complete the review.

Bill Huang provided an update on a meeting held with the City Managers and Public Safety staff of the City of Lancaster and City of Palmdale and the Fifth District regarding the Section 8 Program in Antelope Valley. These meetings will continue on a quarterly basis. It was noted that the City Managers are considering establishing their own housing authority.

Ms. Glover announced that a report on the ongoing HUD-monitoring and findings and the Yardi system will be provided at the August or September meeting.

Ms. Glover announced that the Ujima Village relocation is progressing. Staff has participated in weekly conference calls with HUD representatives and the relocation contractor to monitor the relocation status of the remaining residents.

Ujima Village Resident Council members have retained the services of the Legal Aid Foundation which has requested all documents related to Ujima Village from January 1, 2003 to the present. County Counsel will work with the Legal Aid Foundation in an effort to narrow their request and expedite a response.

Ms. Glover has been working with the Department of Public Works in obtaining reusable bags for our senior residents.

Ms. Glover reported on Mr. Fortune, who attended the Housing Commission meeting in February because he was homeless and in need of assistance. With the help of Housing Management staff, he is moving into the West Knoll housing development, effective today.

Agenda Item No. 5 – Public Comments

Ms. Carol Bogan a Marina Manor resident inquired about proper procedures to have work performed in her unit. She requested that her unit be painted, however, does not understand why in some cases the residents are given the materials to do the work themselves. Maria Badrakhn will follow-up on Ms. Bogan's request and report back at the next meeting.

Agenda Item No. 6 - Staff Presentations

Ms. Linda Alexander, who oversees the Community and Educational Partnerships Program and is Executive Director for the Community Development Foundation (CDF), introduced the CDF Board members: Maria Badrakhan, David Fisher and Mr. Ray Grabinski. Ms. Alexander presented the Resident Scholarship awards as follows:

Lanisha Green, Harbor Hills resident, will attend UCLA in the fall; Ebony Brooks, Harbor Hills resident, has received special JJCPA Program recognition and will attend Cal State Northridge in the fall; Jennifer Delgado, Sundance Vista housing development resident, will attend Cal State University Dominguez Hills in the fall; Rebecca Telmich, Palm Apartments resident, is attending Los Angeles City College and will attend UCLA in the fall; Jermane McMelk, Ujima Village resident, will attend Morehouse Collage in the fall.

Regular Agenda

On Motion by Commissioner Martinez, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

RESOLUTION AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS FOR ARROW PLAZA IN UNINCORPORATED COVINA (5) AGENDA ITEM NO. 7

1. Recommend that the Board of Commissioners find that the approval of a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles to finance the site acquisition and rehabilitation of the 64-unit Arrow Plaza is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners adopt and instruct the Chair to sign the attached Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an aggregate amount not exceeding \$6,400,000, to assist Arrow Plaza, KBS, L.P. (Developer) in financing the site acquisition and rehabilitation of Arrow Plaza, a 64-unit multifamily rental housing project located at 20644 East Arrow Highway in unincorporated Covina.

3. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute all related documents and take all necessary actions for the issuance, sale, and delivery of the bonds.

On Motion by Commissioner Porter, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:

RESOLUTION AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS FOR CASA LUCERNA IN
UNINCORPORATED EAST LOS ANGELES (1)
AGENDA ITEM NO. 8

1. Recommend that the Board of Commissioners find that the approval of a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles to finance the site acquisition and rehabilitation of the 75-unit Casa Lucerna is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners adopt and instruct the Chair to sign the attached Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an aggregate amount not exceeding \$5,999,000, to assist Casa Lucerna, KBS, L.P. (Developer) in financing the site acquisition and rehabilitation of Casa Lucerna, a 75-unit multifamily rental housing project located at 1025 South Kern Avenue in unincorporated East Los Angeles.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute all related documents and take all necessary actions for the issuance, sale, and delivery of the bonds.

On Motion by Commissioner Martinez, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

RESOLUTION AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS FOR LEFFINGWELL MANOR IN
UNINCORPORATED WHITTIER (4)
AGENDA ITEM NO. 9

1. Recommend that the Board of Commissioners find that the approval of a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles to finance the site acquisition and rehabilitation of the 89-unit Leffingwell

Manor is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

2. Recommend that the Board of Commissioners adopt and instruct the Chair to sign the attached Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority of the County of Los Angeles, in an aggregate amount not exceeding \$8,855,000, to assist Leffingwell Manor, KBS, L.P. (Developer) in financing the site acquisition and rehabilitation of Leffingwell Manor, an 89-unit multifamily rental housing project located at 11410 Santa Gertrudes Avenue in unincorporated Whittier.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute all related documents and take all necessary actions for the issuance, sale, and delivery of the bonds.

On Motion by Commissioner Martinez, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

APPROVE CONSTRUCTION CONTRACT FOR FINAL PHASE OF GAS LINE
REPLACEMENT AT CARMELITOS FAMILY HOUSING DEVELOPMENT
IN THE CITY OF LONG BEACH (4)
AGENDA ITEM NO. 10

1. Recommend that the Board of Commissioners find that the approval of a Contract for the fourth and final phase of the gas line replacement improvements at Carmelitos family housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director of the Housing Authority to execute a Contract in the amount of \$1,453,120, in substantially the form of the attached, and all related documents, with M.L. Construction, to complete the fourth and final phase of the gas line replacement improvements at the subject property, to be effective following execution by all parties and issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to approve Contract change orders not exceeding \$290,624 for unforeseen project cost.

On Motion by Commissioner Martinez, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

APPROVE CONSTRUCTION CONTRACT FOR PHASE ONE OF HARBOR
HILLS HOUSING DEVELOPMENT KITCHEN REMODEL PROJECT (4)
AGENDA ITEM NO. 11

1. Recommend that the Board of Commissioners find that the approval of a Contract for phase one of the kitchen remodel at the Harbor Hills housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute a Contract in the amount of \$1,170,000, in substantially the form of the attached and all related documents, with Gibraltar Construction Company, Inc., to complete the kitchen remodel of 104 units at the subject property, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to approve Contract change orders not exceeding \$234,000 for unforeseen project costs.

On Motion by Commissioner Porter, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:

APPROVE ELEVATOR CONSULTING SERVICES CONTRACT FOR
ELEVATOR MODERNIZATION AT KINGS ROAD SENIOR HOUSING
DEVELOPMENT IN THE CITY OF WEST HOLLYWOOD (3)
AGENDA ITEM NO. 12

1. Recommend that the Board of Commissioners find that approval of a Contract for elevator consulting services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute a Contract in the amount of \$71,845, in substantially the form of the attached, and all related documents, with IDS Group, Inc. (Consultant), to complete design services for the modernization of four elevators at the subject property, to be effective following execution by all parties and issuance of the Notice

to Proceed, which will not exceed 30 days following the date of Board approval.

3. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute amendments to the Contract, following approval as to form by the County Counsel, to extend the time of performance for an additional year without increasing the total amount of compensation.
4. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute amendments to the Contract, following approval as to form by the County Counsel, to increase the Contract by up to an aggregate amount of \$14,369 for unforeseen project costs.

On Motion by Commissioner Porter, seconded by Commissioner Martinez, and unanimously carried, the following was approved by the Housing Commission:

APPROVE PROFESSIONAL SERVICES AGREEMENT FOR GENERAL
REHABILITATION AT THE KINGS ROAD SENIOR HOUSING
DEVELOPMENT (3)
AGENDA ITEM NO. 13

1. Recommend that the Board of Commissioners find that approval of an Agreement to provide architectural and engineering services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute an Agreement in the amount of \$187,300, in substantially the form of the attached, and all related documents, with Kennard Design Group (Consultant), to complete architectural and engineering services for the general rehabilitation at the subject property, to be effective following execution by all parties, which will not exceed 30 days following the date of Board approval.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute amendments to the Agreements, following approval as to form by County Counsel, to increase the Agreements by up to an aggregate amount of \$37,460 for unforeseen project costs.

On Motion by Commissioner Martinez, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

APPROVE MEMORANDUM OF UNDERSTANDING WITH THE
CITY OF LANCASTER FOR HOUSING PROGRAM INVESTIGATIONS (5)
AGENDA ITEM NO 14

1. Recommend that the Board of Commissioners find that approval of the MOU between the Housing Authority and the City of Lancaster is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute the MOU with the City of Lancaster, attached in substantially final form, under which the Housing Authority will provide investigative services and receive \$116,340 from the City of Lancaster and \$116,340 in County Economic Development Funds (EDF) allocated to the Fifth Supervisorial District, to be effective following approval as to form by County Counsel and execution by the parties.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget \$116,340 from the City of Lancaster, for the purposes described above, and to incorporate any additional funds that may be received from the City of Lancaster for services performed during the term of the MOU.
4. Recommend that the Board of Commissioners authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget County EDF funds in the amount of \$116,340 for the City of Lancaster.
5. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute amendments to the MOU with the City of Lancaster to include minor administrative changes, and to extend the time of performance for a maximum of two years, in one-year increments; and authorize the Acting Executive Director to incorporate funds received from the City of Lancaster into future approved Housing Authority budgets, for the purpose described above.

On Motion by Commissioner Parrish, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

APPROVE MEMORANDUM OF UNDERSTANDING WITH THE CITY OF
PARAMOUNT FOR SECTION 8 PROGRAM INVESTIGATIONS (4)
AGENDA ITEM NO. 15

1. Recommend that the Board of Commissioners find that approval of the MOU between the Housing Authority and the City of Paramount is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute the MOU with the City of Paramount, attached in substantially final form, under which the Housing Authority will provide investigative services and receive \$25,000 from the City of Paramount, to be effective following approval as to form by County Counsel and execution by the parties.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget a total of \$25,000 from the City of Paramount, for the purposes described above, and to incorporate any additional funds that may be received from the City of Paramount for services performed during the term of the MOU.
4. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute amendments to the MOU with the City of Paramount to include minor administrative changes, and to extend the time of performance for up to two additional years, in one-year increments; and authorize the Acting Executive Director to incorporate funds received from the City of Paramount into future approved Housing Authority budgets, for the purpose described above.

On Motion by Commissioner Porter, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:

APPROVE MEMORANDUM OF UNDERSTANDING WITH THE CITY OF
PALMDALE FOR HOUSING PROGRAM INVESTIGATIONS (5)
AGENDA ITEM NO. 16

1. Recommend that the Board of Commissioners find that approval of the MOU between the Housing Authority and the City of Palmdale, is not subject to the provisions of the California Environmental Quality Act

(CEQA), as described herein, because the activities are not defined as a project under CEQA.

2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute the MOU with the City of Palmdale, attached in substantially final form, under which the Housing Authority will provide investigative services and receive \$44,500 from the City of Palmdale and \$44,500 in County (Economic Development Funds) EDF allocated to the Fifth Supervisorial District, to be effective following approval as to form by County Counsel and execution by all parties.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget \$44,500 from the City of Palmdale, for the purposes described above, and to incorporate any additional funds that may be received from the City of Palmdale for services performed during the term of the MOU.
4. Recommend that the Board of Commissioners authorize the Acting Executive Director to incorporate into the Housing Authority's approved Fiscal Year 2008-2009 budget County EDF funds in the amount of \$44,500 for the City of Palmdale.
5. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute amendments to the MOU with the City of Palmdale to include minor administrative changes, and to extend the time of performance for up to two additional years, in one-year increments; and authorize the Acting Executive Director to incorporate funds received from the City of Palmdale into future approved Housing Authority budgets, for the purpose described above.

Agenda Item No. 17 – Housing Commissioner Comments and Recommendations for Future Agenda Items

Commissioner Porter thanked Ms. Glover for the mileage reimbursement update. He also thanked Geoffrey Siebens for the visuals that he provided.

Commissioner Martinez thanked staff for the written report summarizing the resolution of issues raised at the June meeting by Carmelitos residents.


Commissioner Aszkenazy suggested that regular inspections at housing developments include a determination on whether re-painting is needed. He added that having residents paint their own units could present costly liability issues. He also suggested standardizing cabinets, etc. at the housing sites.

Commission Aszkenazy asked about plans for "green" building. Geoffrey Siebens responded that this is an area of interest; however, no plans are currently in place.

Commissioner Aszkenazy introduced his son, Erin Aszkenazy, who currently attends the University of Miami.

On Motion by Commissioner Porter, seconded by Commissioner Martinez, the Regular Meeting of July 23, 2008, was adjourned at 1:55 p.m.

Respectfully submitted,

for 
WILLIAM K. HUANG
Acting Executive Director
Secretary –Treasurer

Housing honcho must keep heat on cheats

*This story appeared in the Antelope Valley Press
Tuesday, July 15, 2008.*

A new era has begun in the Los Angeles County Housing Authority, and we hope it will be a good one.

William K. Huang, formerly the commission's director of housing development and preservation, has moved into the executive director's spot, replacing Carlos Jackson, who retired not long after federal auditors urged the county to fire him.

Our biggest complaint with Jackson was how the Section 8 program was run. It has been an ongoing saga here in the Valley during the last three years or so, but thanks to Supervisor Michael D. Antonovich and Lancaster and Palmdale, the situation has gotten much better.

Valley Press readers frequently write letters to complain about obvious criminal activity taking place in Section 8 homes.

Section 8 is a federal program administered by local governments - in this case Los Angeles County - that gives needy applicants a subsidy on their rents. Typically, a tenant might pay 30% and the government the rest of the rent. So if a house rents for \$1,000, the tenant pays \$300, the taxpayers \$700.

Rather than go about fixing the problems, Jackson wrote a nasty letter to the editor of his own, denigrating our readers for having the audacity to complain.

We started investigating and finding big problems with Section 8 housing. At the same time, Supervisor Antonovich stepped in, and together with the cities, the county started sending housing investigators out to check on complaints.

Since then, the county, Lancaster and Palmdale have found dozens of cases of fraud. Undeserving clients - those who had undeclared income, those who allowed unauthorized people to live in their homes, those who were found in possession of drugs - have been banished from the program.

There is a waiting list for Section 8 homes, which means deserving needy people, elderly or disabled, are going without while cheaters flourish. The crackdown has gone further now, as the county has begun filing felony perjury charges against those who clearly lied on their applications to get Section 8 housing vouchers.

Four people already have pleaded guilty to these charges, and more cases are in the pipeline. This gives some real teeth to the Section 8 fraud investigations. It's one thing to lose a voucher, quite another to face a felony rap.

We are encouraged by the progress that has been made. Word has gotten out that you don't come to the Antelope Valley and expect to get away with Section 8 fraud. We hope that, in these times of tightening budgets, funding for investigators continues to be provided.

These investigators have saved taxpayers hundreds of thousands of dollars by removing undeserving people from the program.

We urge the new executive director to make the crackdown on cheaters a priority and to take stronger measures to screen out undeserving applicants before they ever get vouchers.

* House Authorizing Committee Passes Three Housing Related Bills

Asset Management, Lead Blood Levels and Veterans Housing Bills Approved

In a two day mark-up, June 24-25, the House Financial Services Committee, chaired by Barney Frank (D-MA), passed three bills that may eventually have an effect on housing authorities. The first, the Asset Management Improvement Bill of 2008, H.R. 6216, enacted a series of measures requested by PHADA, CLPHA and NAHRO to improve the implementation of asset management. It also included a Republican sponsored amendment prohibiting housing authorities from enacting more stringent restrictions on gun possession than their states and localities. In light of the recent Supreme Court ruling, which affirmed the right of Americans to possess guns, any restrictions to gun ownership will be certain to come under increased scrutiny, so this provision may be overtaken by the ramifications of the Supreme Court decision.

In addition to the asset management bill, the committee also passed H.R. 6309 which reduced the threshold considered to be an elevated lead blood level reading from 20 micrograms per deciliter to 10 micrograms. Actions required at the former threshold must now take place at the lower one. Finally a bill entitled Homes for Heroes authorized \$200 million in new construction funding for veterans housing, along with 20,000 vouchers per year for five years. As written, the new construction funding must go to a private, non-profit organization.

All three bills must still be passed by the House as a whole, as well as the Senate, and be signed by the President, before they are enacted.

The Asset Management Bill

Chairman Frank and Albio Sires (D-NJ), the bill's sponsor, have been concerned for a considerable amount of time about HUD's implementation of asset management, and the committee passed a similar bill in 2007. The main provisions go a long way towards applying some common sense to asset management. The first recognizes that HUD's rigid management fee structure has not met the rule's standard of being "reasonable," and therefore requires the Department to engage in negotiated rulemaking on the fees with housing authorities. The second acknowledges that many of the attributes of asset management, such as identifying costs at a project level through project-based accounting, do not necessarily apply to agencies with 500 or fewer units, and therefore makes conversion to asset management optional for them. Finally, it reconfirms Congress's authorization that capital funds can be spent on central office costs.

In 2008, when Frank and Sires reintroduced the bill, Rep. Michele Bachmann (R-MN) proposed an amendment which would have prohibited housing authorities from adopting any stricter gun control standards than those adopted by their local or state jurisdictions. This amendment was contentious for the Democrats who knew some of their members might be supportive. Unprepared as a party at that point to accept this language, they withdrew the bill.

Upon reflection, the Democratic leadership decided to accept the Republican gun control amendment and reintroduce the bill. H.R. 6216 now contains Bachmann's language verbatim. At the mark-up, Frank stated that he did not personally support the amendment, but that he was willing to accept it in the interests of passing the legislation.

Two further amendments were offered, the first by Carolyn McCarthy (D-NY) and the second by Maxine Waters (D-CA).

McCarthy's amendment made it clear that housing authorities would still have the right to evict residents who used firearms illegally. Waters, on the other hand, opposed the Bachmann language and submitted an amendment that would continue to allow agencies to restrict the possession of guns on public housing property. She made a strong case in support of her amendment saying,

"For years, we have been telling PHAs to cut violence, even while we have reduced their funding...In many areas, we have troubled developments; there is concentrated poverty; gangs exist; guns are prevalent and gunfire can be frequently heard. We know this takes place. When we have the problems we have in public housing, let us do all we can to stop the violence."

[Waters] submitted an amendment that would continue to allow agencies to restrict the possession of guns on public housing property.

Although her amendment was defeated on a voice vote, the bill itself was passed. It must still come up for a vote of the full House, and then it will need to be taken up by the Senate. The White House has voiced its opposition to this bill arguing that making asset management optional for agencies with 500 or fewer units, makes it possible for 88 percent of the nation's housing authorities to opt out of asset management.

Lead-Safe Housing for Kids Act of 2008, H.R. 6309

A second bill passed by the Financial Services Committee was sponsored by Rep. Keith Ellison (D-MN). This bill lowers the threshold at which housing authorities must conduct a lead paint risk assessment in a unit from a blood level reading of 20 micrograms per deciliter (or two tests three months apart in the 15-19 range) to 10 micrograms per deciliter. Ellison introduced this change, because 10 is the threshold adopted by the Center for Disease Control (CDC).

Lead paint testing has dramatically reduced the incidence of elevated blood levels in the United States. Currently, only 1.6 percent of children under six tested above the 10 microgram standard. Although not opposing the legislation, a number of stakeholders have asked that Congress hold hearings on this issue prior to passing this legislation.

Rep. Shelly Capito (R-WV) introduced an amendment saying that the risk assessments would only have to be conducted if HUD provided funding to pay for them. After the committee approved this

See "three bills," continued on page 13



Rep. Maxine Waters (D-CA)

...“three bills”

Continued from page 5

amendment, it passed Ellison's bill. Like the asset management bill, the Lead-Safe Housing for Kids Act must go before the House as a whole and then be taken up in the Senate.

Homes for Heroes Act

A final act that was taken up and passed was sponsored by Rep. Al Green (D-TX). This bill deals with housing issues for veterans in two ways. First, it authorizes \$200 million in funding for new construction for housing for veterans whose income falls in to the very-low, or 50 percent or below of the area median, category. Secondly, it also authorizes 20,000 vouchers per year for a five year period.

As written, the bill restricts the award for new construction to private, non-profit organizations. Although many housing authorities have private, non-profit affiliates or subsidiaries, PHADA is working, along with NAHRO and CLPHA, to extend eligibility to housing authorities themselves.

Green's bill passed easily, but, like the others must still go to the House floor and the Senate before final passage. In addition, its authorization of funding is dependent on action by the appropriations committees to actually provide the funding for this program. As Congress has already begun providing funding for vouchers for veterans, it is possible that funding could be provided for new construction as well, even in these difficult budgetary conditions. ■

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PHADA Requests Members Contribute to its Resource Library

PHADA maintains a technical resource library on its website which includes housing authority policies and procedures from all kinds and sizes of HAs around the country. These documents are created and used by your fellow HAs. It includes an assortment of policies, such as personnel, procurement, Admissions and Occupancy, and ethics and are catalogued so that members can download the documents as needed. The membership committee and staff are always working to build up this library of good source materials.

How can you help?

Please send copies of any policies and procedures your housing authority uses that other HAs might find useful as models or samples.

Documents can be submitted via email to ygoury@phada.org. Submissions can be in text format or as an attachment to the message.

You may also mail materials to PHADA on CD-ROM:

PHADA
Attn: Yaniv Goury
511 Capitol Court NE
Washington, DC 20002

What types of documents are we looking for?

Anything you feel might be useful to another housing authority, such as:

- Administrative Plans;
- Admission and Occupancy;
- Affirmative Action;
- Capitalization;
- Crime Prevention;
- Drug-Free Workplace;
- Fair Housing;
- 504 Requirements;
- Grievance Procedures;
- Leases;
- Maintenance-Modernization;
- Personnel;
- Pets;
- Procurement;
- Reasonable Accommodations;
- Resident Initiatives; and
- Section 8 administrative plans.

Please send only those policies that you are certain are up-to-date and in compliance with existing statutes, rules and regulations.

Also, please do not feel confined by the policies listed above. We encourage you to send any materials you feel might be helpful to your colleagues.

Thank you in advance for your assistance. ■

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Friday, July 18, 2008

GOVERNOR SIGNS SECTION 8 HOUSING BILL

California Political Desk

July 17, 2008

Sacramento – Assemblywoman Sharon Runner's (R – Lancaster) Section 8 Housing legislation, Assembly Bill 2827, gained the support of Governor Arnold Schwarzenegger and was signed into law.

"I am thrilled that the Governor joined me in the fight against Section 8 Housing fraud," Runner said. "This legislation will help crackdown on those who abuse the system while increasing access for qualified hardworking families who are in need of subsidized housing."

"Currently, thousands of Californians who are in need wait for Section 8 Housing support for years on end, while greedy criminals with sufficient means illegally use public resources and take advantage of society's goodwill," Runner said.

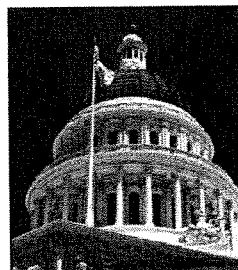
AB 2827 will allow District Attorney's offices to track incidents of Section 8 Housing fraud in each county. This data will provide substantial evidence on the severity and extent of this fraud, as there is no uniform tracking system within the state.

"As of next year, law enforcement officials will be able to track this crime and gather the necessary data as the extent of the problem is currently unknown statewide," Runner explained. "This will allow law enforcement to develop a plan of action to combat Section 8 Housing fraud."

"The citizens of the Antelope and Victor Valleys have seen the negative effects of this fraud firsthand," Runner added. "AB 2827 is common-sense, cost-effective legislation that will address this major issue, protect those citizens in need, and help put an end to this criminal behavior."

The law will go into effect on January 1, 2009.

California Political Desk



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'Something strange in the water'

Crude oil found in Ujima Village ground water

By Shirley Hawkins
OW Staff Writer

Months of ground water tests conducted at the Ujima Village housing complex in Willowbrook ordered by the Regional Water Quality Control Board (RWQCB), have uncovered that the ground water underneath the site is contaminated with crude oil and other toxins. Residents are being offered the opportunity to relocate in 60 days in order to facilitate the environmental investigation and clean up by Exxon Mobil, according to RWQCB. Congressmembers Maxine Waters, Laura Richardson and County Supervisor Yvonne B. Burke have all expressed concern regarding the relocation of the tenants.

"The regional board has been communicating with Congresswoman Richardson and County Supervisor Burke about the environmental investigation," said Steve Kane, senior environmental planner of RWQCB. Many tenants, some of whose families have lived there for several generations, expressed concern about the contamination and the move. "We are developing a position paper about the relocation efforts to send to Congressmembers Waters and Richardson who have received calls and are actively advising the Ujima Village residents' council," said Louis Rafke, an attorney with the Legal Aid Foundation who said that he was contacted by Waters' office to investigate the relocation efforts.

Besides the concern over the contaminated ground water, Rafke said that the tenants have also complained that the U.S. Department of Housing and Urban Development (HUD), which is providing each resident with vouchers and a stipend for moving expenses, is not paying enough for relocation expenses. "They're not giving the residents enough money to move," said Rafke, who said the moving expenses range between \$1,000 to \$2,000 per family. "They are putting a lot of pressure on the tenants to take the voluntary relocation package and to sign for all their relocation benefits, but the benefits just aren't adequate. Under the Federal Uniform Relocation Act, the tenants should be getting more relocation assistance. HUD is also supposed to meet with tenants and find several comparable housing sites that they can move into. Instead, most of the tenants have to look for housing on their own."

"I believe that Congresswoman Richards and Waters will help make sure that the residents of Ujima Village get the full amount of relocation benefits they are entitled to under the Uniform Relocation Act," said Rafke. "They're going to give us part of the security deposit and \$100 for gas to look for a place to move," said Donald Brown, a resident of Ujima Village for four years. "When you find a place, they give you \$200 so you can get a credit check. It's just a lot of pressure. Everybody is getting frustrated and taking whatever they give us." Residents were informed that Ujima Village was once the site of an Athens Tank Farm that processed petroleum and operated from the 1920s to the 1960s. The oil from the tank farm eventually seeped into the soil, causing the contamination.

Bill Romanelli, spokesperson for Exxon Mobil, said, "We've been conducting an environmental investigation ordered by the Regional Water Quality Control Board that has been going on throughout the summer. Exxon Mobil is taking the testing very seriously and we're committed to protecting the health of the residents. We will present those investigative results to county health officials and we'll follow their lead in terms of the next course of action."

During a series of community meetings, representatives from HUD and the Community Development Commission reassured the residents that the drinking water is safe to drink but that the extent of the ground water contamination has yet to be determined. Despite complaints from residents that the water is undrinkable, representatives from the RWQCB said that the drinking water is safe and is being supplied by the Golden State Water Company, which provides drinking water and irrigation services.

"Most people here in the Village are not drinking the water," maintained Joanne Smith, executive director of the Ujima Village residents' council and a resident for 35 years. "The water board said the drinking water is fine, but no one has told us what the level of contamination is or what the physical effects are."

Ujima Village resident Mary Shell said she and other residents have been uneasy for years about the water running from their taps.

"I stopped drinking the water four years ago," admits Shell, who has four children. "Whenever I turned on the water, it came out brown and had a bad odor. The water never tasted right," she said.

Shell said her family was in good health before they moved from San Bernardino to the 350-unit complex. She immediately noticed that the water tasted and smelled "funny" and that her family began to suffer from health problems.

"Whenever my son Dallas bathed in the water, he would break out in bumps," said Shell. "We even changed the soap, but we realized that it wasn't the soap. Whatever was making him break out was in the water," she said.

"My two youngest children were diagnosed with chronic asthma and my oldest daughter has developed a congestion problem. When she takes a shower, her skin breaks out. The doctors have her on triple antibiotics," said Shell.

Brown said, "Whenever I bathe in the water, I develop rashes or blisters. Right now I'm seeing a doctor."

Christina Bradley, a 14-year Ujima Village resident, said that she and most of the residents have been drinking bottled water for years. "The water was turning brown and yellow and making my kids sick," she recalls. "My kids' skin started getting lighter and the doctor said they were developing a fungus. He said it was from the water."

"Sometimes it smells like gas and the smell fills the whole house," said Crystal Smith, 13, Bradley's daughter.

"When you drink the water, it gives you headaches and stomach aches. When you wash your face in the water, sometimes you get bumps."

Workers in orange vests have been testing the ground water at the Village every day guarded by sheriff's deputies. Many tenants questioned the need to have sheriffs standing guard.

"We're making sure their property doesn't get stolen," said one sheriff.

One tenant noted that the workers had plenty of bottled water on hand.

July 17, 2008

* New HUD Notice Raises Questions for Stop-Loss Agencies

* CLPHA to Secretary Preston: MTW Agreements Need Attention

HUD released **PIH Notice 2008-31** July 17, providing guidance on the demonstration of successful conversion to asset management for third-year stop-loss applications. After reviewing the notice, CLPHA is concerned about a provision relating to stop-loss agencies that are transferring capital funds to pay for the central office cost center.

The notice explains that: "In accordance with PIH Notice 2008-16, PHAs that implement Section 226 of Title K of the 2008 Appropriations Act, relating to the use of Capital Fund Program proceeds for central office costs, must maintain an overhead allocation system. Stop-loss agencies that have implemented section 226 will report the amount of overhead allocated to each project. In such cases, in lieu of determining the reasonableness of the 'management fee,' HUD will compare the amount of allocated overhead with the applicable management fees, bookkeeping fees, and asset management fees."

It is not clear exactly what HUD intends to do with the results of the comparison between the amount of allocated overhead and the applicable fees. CLPHA is concerned that HUD may deny a stop-loss application if HUD determines, through the comparison, that the

(Continued on p. 2)

(The following letter from CLPHA Executive Director Suria Zatterman was sent to HUD Secretary Steve Preston July 11.)

On behalf of the Council of Large Public Housing Authorities, I want to congratulate you on your recent confirmation as Secretary of the U.S. Department of Housing and Urban Development. I would also like to extend an invitation to you to tour the District of Columbia Housing Authority (DCHA) on behalf of Michael Kelly, the Executive Director of DCHA and President of CLPHA. I am certain you will be impressed with the scale and quality of redevelopment and innovation that is taking place here in the District. In addition, Michael and I are requesting a meeting with you to discuss pressing public housing issues. Finally, I would like to take the opportunity you have offered to assist in the resolution of pending matters that are important to CLPHA's members.

(Continued on p. 2)

Senate Committee Approves HUD Appropriations Bill as Spending Bills Falter

Even as the Senate Appropriations Committee moved ahead with legislation (**S. 3261**) that includes modest increases in key public housing program accounts, doubts that Congress and the administration will ultimately be able to agree on individual appropriations bills to fund the government persist. The alternative – an omnibus "continuing resolution" which includes funding for most non-military related programs – appears more and more likely.

On the House side, the appropriations process has stalled. The Transportation-HUD funding bill, for example, was approved earlier by a subcommittee, but no action before the full committee has been scheduled. The reason for the logjam, according to Congressional Democrats, is that House Republicans intend to use appropriations bills to push a vote on their top priority: removing the limitations on off-shore drilling and opening up the arctic wildlife preserve to energy exploration.

The debate reached somewhat comic proportions earlier this month when Rep. Barney Frank (D-MA), tongue firmly in cheek, assured the House that nothing in the asset management bill ultimately approved by the House prohibits oil drilling on public housing property. The legislation

(Continued on p. 4)

CLPHA to Secretary Preston: MTW Agreements Need Attention

(Continued from p. 1)

One such matter relates to the permissible uses of block grant funds by public housing agencies participating in the Moving to Work demonstration program ("MTW"). MTW was authorized by Congress in 1996 as a laboratory for a limited number of PHAs to develop creative strategies for providing housing assistance and services to low-income families. Among the tools Congress gave these PHAs was the authority to waive many provisions of the U.S. Housing Act of 1937 and to use several federal funding sources as a single, flexible block grant. Participating agencies have been operating under that arrangement for many years now.

Through a process initiated by the Office of Public and Indian Housing last year, participating agencies have been working with HUD to extend and modify their MTW agreements. I want to commend Acting Assistant Secretary Paula Blunt and Deputy Assistant Secretary Dominique Blom for their efforts in this regard. While there have been some difficult issues, CLPHA believes Ms. Blunt and Ms. Blom have been respectful of the best interests of CLPHA and its members in this matter.

One issue, in particular, however, is standing in the way of completing this process. We understand that the Office of General Counsel is taking the position that MTW block grant funds may not be used as broadly as the existing MTW agreements permit. This interpretation would reverse existing policy and greatly constrain the ability of participating agencies to demonstrate the innovation that Congress

intended in authorizing MTW. We also believe it is contrary to the MTW authorizing statute. To help explain CLPHA's position on this matter, I asked our counsel to prepare a memorandum for Ms. Blom. A copy of that memorandum is enclosed for your consideration.

On a second matter, we are disappointed by the fact that HUD has never issued implementing regulations for certain key statutory provisions enacted by Congress as far back as 1998. A significant example is Section 30 of the U.S. Housing Act of 1937, which was added by the Quality Housing and Work Responsibility Act of 1998. Section 30 permits PHAs to mortgage or grant other security interests in public housing property. The ability to use the value of existing public housing property to leverage private resources in this manner could be an important tool to PHAs who are struggling with limited federal appropriations.

We understand that HUD has taken the position that the terms and conditions under which such actions may be taken must be promulgated through regulations. However, such regulations have not been forthcoming. We urge you to finally undertake the rulemaking in order to provide this important tool to housing authorities.

Finally, we want to discuss the public housing capital needs assessment that HUD is currently undertaking. This study is critical in determining the need for additional capital investment in the public housing portfolio. We are very con-

cerned that the study as currently designed fails to address some key issues. First, given the national focus on climate change and environmental sustainability, we think it is essential to use a green design standard in modernizing and revitalizing public housing, as many housing authorities are doing across the country. Second, the modest design standards proposed in the study are woefully out of date as housing authorities are now developing to a market design standard. Third, the study design does not adequately reflect the transition to asset management and capturing the cost of replacing functionally obsolete developments. We urge a rethinking of the current study design to accurately project the cost to maintain the public housing portfolio, as mandated by Congress. I look forward to meeting with you at your earliest convenience. Please do not hesitate to call me to discuss these matters further if that would be helpful. ■

New HUD Notice Raises Questions for Stop-Loss Agencies

(Continued from p. 1)

amount of allocated overhead charged for central office costs is unreasonable. CLPHA has requested a clarification from HUD on how the comparison will be used, and whether HUD intends to restrict the amount of capital funds that may be used for central office costs by determining a reasonable amount that may be charged. ■



Public Housing Summit Scheduled For Late September on Capitol Hill

The results of an intense four-month effort to shape the housing agenda of the next administration will be released and discussed Sept. 25 at a Capitol Hill "Summit on the Future of Public Housing."

The Fall Summit grows out of a mid-June CLPHA-convened leadership retreat at which more than two dozen prominent supporters of public housing – PHAs and their national organizations, practitioners, advocates, lenders, developers and managers, academics and researchers – came together and focused on the future of public housing. The idea behind the meeting was straightforward: The transition to a new administration presents an ideal opportunity to consider national priorities related to the 70-year-old public housing program.

Assisted by a professional facilitator, the leadership retreat participants agreed that to preserve and ultimately expand public housing, supporters of the program must cultivate new partnerships and sources of revenue while working to overhaul an obsolete funding and regulatory system.

Among the retreat's findings:

- ▶ Public housing serves a very diverse population, and the program is administered by an equally diverse set of public housing agencies and partners in a wide range of settings.

- ▶ The statutory and regulatory frameworks governing Congressional-HUD-PHA relationships in public housing are seriously out-of-date. In combination with funding shortfalls, the current frameworks are compromising the ability of the program to meet its mandates.

- ▶ The decline in Federal capital and operating subsidy funds relative to need has seriously affected the

ability of PHAs to meet program goals. Other forms of subsidy have been used and useful, but they have not filled the gap.

- ▶ HOPE VI has been a major innovation in housing redevelopment, though there are questions about some elements of its design.

- ▶ Moving to Work has given PHAs more flexibility in management, and helped PHAs have more balanced relationships with HUD.

- ▶ The Section 8 Voucher program also provides flexibility to PHAs and voucher holders, but there are questions about its contribution to permanent affordability.

- ▶ The Low Income Housing Tax Credit Program has significantly increased the subsidy available for capital costs, but it does not directly meet the needs of very low income households. It is also more vulnerable to changes in real estate markets and tax laws than public housing.

Working Groups Formed

Three working groups, meanwhile, have begun meeting by conference call to tackle the key issues identified at the retreat:

- ▶ Institutional change, particularly as it relates to the relationship between HUD and PHAs;

- ▶ The need for additional investment, from both government sources and private capital, in public housing; and

- ▶ The desire for expanded partnerships with the environmental community and senior housing advocates.

CLPHA members who wish to participate on one of the working groups bi-weekly phone calls should contact Pat Lewis, who has been hired to facilitate the process, at plewis2468@gmail.com.

CLPHA will be providing additional information on the Sept. 25 Summit over the next few weeks. ■

Help Wanted

The San Francisco Housing Authority seeks an Administrator of Finance. Salary: \$105,456 - \$128,154 annually, plus excellent benefit package

The SFHA seeks an experienced finance professional to plan, organize, direct, control, coordinate, monitor, and evaluate the services, functions and activities of the Finance Department and the Management Information Systems Division. This position serves as a staff consultant and makes presentations to the Authority's Board of Commissioners and Finance Committee on operating and capital budgets and annual independent audit reports. This is an at-will position

Qualified candidates must possess a Bachelor's degree from an accredited college or university in accounting, finance, business administration or related field and ten (10) years of increasingly responsible experience in accounting and financial management, including five (5) years of supervisory responsibility. Knowledge of HUD financial regulations, rules and procedures preferred. MFA or CPA preferred.

See website www.sfha.org for additional information about the position. Apply Immediately: Open until filled. Interested individuals should submit a SFHA Employment Application and Criminal History Form along with a resume and cover letter to: Human Resources Division, San Francisco Housing Authority, P.O. Box 423540, San Francisco, CA 94142-3540.

A SFHA application and Criminal History Form is available at 440 Turk Street or can be printed from our website at www.sfha.org. AA/EOE M/F/D/V. ■

Bill aims to keep eye on Section 8 fraud

*This story appeared in the Antelope Valley Press
Saturday, July 19, 2008.*

By JAMES RUFUS KOREN
Valley Press Staff Writer

SACRAMENTO - A bill that will allow county district attorneys to keep tabs on the number of Section 8 fraud convictions has been signed into law and will take effect Jan. 1.

Assembly Bill 2827, authored by Assemblywoman Sharon Runner, R-Lancaster, creates a specific charge for defrauding a public housing agency.

Section 8 is an oft-abused federal housing subsidy program that allows low-income families to pay about 30% of their incomes toward housing, with government checks covering the rest.

Gov. Arnold Schwarzenegger signed the bill July 10.

"I am thrilled that the governor joined me in the fight against Section 8 housing fraud," Runner said.

"This legislation will help crack down on those who abuse the system while increasing access for qualified hardworking families who are in need of subsidized housing."

Section 8 fraud is a problem throughout California, but finding statistics about how many people are convicted of the crime is hard, said Daniel Felizzatto, a Los Angeles County deputy district attorney.

"Currently, individuals who defraud public housing authorities are prosecuted under California's general theft statute," Felizzatto said.

"With the passage of AB 2827, which creates a separate crime for defrauding public housing authorities, we will be able to track the extent and prevalence of public housing fraud in California for the first time."

Without a specific violation for grand theft against a housing authority - there is a specific violation, for example, for grand theft of an automobile - there is no way to know how many people have been charged with defrauding Section 8.

Runner's bill creates a new penal code violation specifically for grand theft against a housing authority.

"As of next year, law enforcement officials will be able to track this crime and gather the necessary data as the extent of the problem is currently unknown statewide," Runner said.

"This will allow law enforcement to develop a plan of action to combat Section 8 housing fraud."

jkoren@avpress.com

Housing Affairs Letter Stories posted week of 7/19/08 - 7/25/08

Heard at HUD

HUD On Hiring Spree

Faced with a goal to restore HUD's housing mission before the Bush administration ends next January, Secy. Steven Preston is on a hiring mission to replace the department's decimated staff. Preston wants to hire 300 people to help administer the Federal Housing Admin. FHA-Secure program. Others are sought to fill executive positions left vacant by retirements.

HAL sources say the department is at a critical stage in its effort to meet its FHA-Secure requirements. The program was launched last year to help homeowners convert adjustable-rate mortgages to FHSA-insured 30-year fixed-rate mortgages. The program was expanded later to include subprime borrowers who couldn't afford their mortgages after reset of interest rates and those delinquent because of hardships such as medical problems or unemployment.

While HUD programs expanded, former Secy. Alphonso Jackson was reluctant to add to the workforce to meet the demand. Existing staffers processed more than 265,000 mortgages since FHA-Secure was initiated, and Preston anticipates double that number by year's end, overwhelming existing staff.

07/25/2008 12 PM

HUD Homes Sell At Fire Sale Prices

Faced with a nationwide glut of houses insured by the Federal Housing Admin. (FHA), HUD is relaxing its bidding rules for the contract real estate agencies handling the auctions. HUD has more than 34,000 houses in its inventory and typically does not accept bids less than 80% of its asking price.

An example of HUD's new policy to reduce the inventory shows department-owned homes in Ohio are selling for 50% or less of appraisal value. In some instances, the houses are selling for little more than the value of the land. Ohio has about 5,000 HUD-owned homes, 13% of the total inventory.

Critics of the new policy contend it is ripe for abuse. The new policy was not advertised and critics suspect special deals for favorite buyers as a result. They say HUD is losing millions of dollars by accepting less than 80% of the asking price.

07/25/2008 11:56 AM

HUD

Preston Rips FHA Elements In Bill

As the House considered a final vote to return the housing market stimulus bill (HR 3221) to the Senate July 23, HUD Secy. Steven Preston tossed a grenade into the debate. Preston argues that passing the compromise bill would ban the Federal Housing Admin.'s ability to help homeowners in the *FHASecure* program, the effort that has been backed by the Bush administration in opposition to the bill. However, the Bush administration decided to finally agree to sign the bill based on the overall need to address the foreclosure crisis rather than specific objections it had.

Preston's major complaint about the bill is its ban on risk-based pricing on loans, which he deems as essential for the success of the recently expanded version of *FHASecure*.

The payments participants would make in a risk-based scheme would be higher if their loans are riskier, lower if less so. Preston said the program may be in some danger if the bill clears the Senate as expected. "Now, FHA will be required to increase prices on all customers or eliminate its refinancing program for subprime borrowers at a time when they need it most."

Preston, in a brief statement *HAL* is told did not clear the White House before release, describes the legislation as a mixed bag. While making efforts to provide stability and confidence in financial markets that help American gain affordable mortgages, he says the bill "ties our hands and denies us the proper tools to help more families."

FHA's efforts to help homeowners trapped in subprime adjustable rate mortgages through an expansion of its *FHASecure* program would largely be negated by the ban on differential pricing in the bill, Preston says. "Now, FHA will be required to increase prices on all customers or eliminate its refinancing program for subprime borrowers at a time when they need it most."

Info: HUD, 202/708-0980

07/25/2008 12:26 PM

Politics Banned In Housing Complex

Virginia: The Bristol Virginia Redevelopment & Housing Authority (BVRHA) bars supporters of Sen. Barack Obama (D-IL) from canvassing public housing units in the city, citing federal law which prohibits politics in public housing. But since HUD says no such law exists, authority officials backtrack, blaming the exclusion on its own policy of barring partisan political activity at BVRHA locations.

Civil liberties officials question the legitimacy of the ban, saying it may be unconstitutional since campaigning is protected in the First Amendment. HUD contends that, while there is no national law or policy against political campaigning at public housing sites, local housing authorities can set rules barring solicitations of any kind.

BVRHA says it has had a no-soliciting policy on its books for more than 20 years and sites have signs posted explaining the policy.

07/25/2008 12:29 PM

Public Housing Museum Plan Moves

Illinois: An old Chicago Housing Authority headquarters is targeted as the new home for a public housing museum, the first of its kind in the nation recognizing the advent of public housing three-quarters of a century ago. The building, at 70 almost as old as the public housing concept, has been empty since 2002 and has become derelict because of vandalism.

First proposed four years ago, the concept is gathering steam through the efforts of museum organizers. The CHA board has agreed to donate the building to a nonprofit group heading the effort and control is expected to change hands Aug. 19. The idea gets an additional boost from Sen. Richard Durbin (D-IL) and Rep. Danny Davis (D-IL). Both back the museum's request for \$5 million in federal financing.

The private sector is involved in the \$17 million project as well, with Chicago-based Boeing Corp. among the major backers. Organizers want to open the museum by 2012.

07/25/2008 12:11 PM

CLPHA Says Approach to Public Housing Capital Needs Study is Flawed

(Con't from p. 1)

set management is predicated on the assumption that the AMPs are adequately capitalized. The point of the study should be to identify what level of funding is needed to recapitalize the portfolio and effectively implement asset management. As we all know, capital fund appropriations have barely met accrual needs let alone address the backlog."

► **Greening Public Housing.** "Energy efficiency and environmental sustainability are being incorporated in public housing communities across the country but we do not see this reflected in the study design," said CLPHA. "Green building standards are critical and should be incorporated in the assessment. These include improving indoor air quality, promoting water conservation and increasing overall building performance."

► **Market Design Standards.** "The modest design standards proposed in the study are woefully out of date as housing authorities are now developing to a market design standard in all of their mixed-income, mixed-finance developments," said CLPHA. "This should be reflected in the study. Equally important, the study should include the cost of addressing functionally obsolete properties rather than just using a repair only standard."

► **Aging in Place Seniors and Accessibility Needs.** "Housing authorities are now serving an increasingly older and frailer senior population in buildings that were not designed to meet their needs. The assessment should account for the need to upgrade senior buildings to meet these needs. In addition, accessibility standards should be part of the costs associated with upgrades and modern-

ization."

One-hundred-and-forty PHAs will be part of the study with 550 developments to be inspected. HUD contractors will begin inspecting developments in May of next year, aiming to complete the study by February 2010.

CLPHA will continue to monitor the capital needs assessment and has begun to raise the concerns outlined in the memo to key Congressional staff. ■

MTW Time Limits

(Con't from p. 1)

of the time limit policies that housing agencies put in place were designed to (a) experimentally isolate their effects from other policies and practices, (b) facilitate assessment of what would have happened in the absence of time limits, or (c) track and follow-up on timed-out recipients."

The San Diego Housing Commission, a CLPHA member, was one of the two agencies who ended their time-limit on housing assistance. Their initiative was, according to the report, "designed as an experiment to see if a combination of rent rule changes, an enhanced Family Self-Sufficiency (FSS) program, and time limits on housing assistance resulted in increased family self-sufficiency." The agency identified 72 families on both their public housing and housing choice voucher waiting lists "deemed highly motivated" and offered them assistance ahead of other families, but it would be limited to five years. However, the program was terminated and par-

ticipating families were allowed regular assistance due to rapidly increasing costs in the private local housing market as well as higher-than-expected administrative costs. The report says "SDHC officials ultimately concluded that time limits should not be applied as a blanket policy because some families did not have the capacity to achieve self-sufficiency, and those that did might progress at different rates." ■

*Fraud Bulletin Warns Section 8 Landlords

Requiring tenants to pay rent in excess of what is authorized by the applicable HAP contract is an actionable offense under the False Claims Act and represents "deplorable behavior directed towards the very persons whom the HCV program was designed to serve," HUD's Inspector General said in a **Fraud Information Bulletin** issued earlier this month.

The bulletin indicated that the problem of a landlord charging more for a unit than is legally allowed is a widespread problem and provided one concrete example of the practice. "In spite of the explicit prohibition in the HAP contract ... a [Connecticut] landlord

required the tenant to pay an 'additional rent payment' of \$60 on six separate occasions. In other words, the landlord inappropriately extracted an additional \$360 from the helpless tenant."

Landlords who engage in this practice, said the Bulletin, are subject to penalties amounting to three times the amount in question plus additional fines. ■



Atlanta, GA — “Atlanta has risen from its own ashes many times — most spectacularly after the Civil War,” writes Renee Glover, president and CEO of the city’s housing authority in the *July 1 Atlanta Journal Constitution*. “But there have been other occasions when the will of the people to do the right thing has fostered civic rebirth. While many Southern cities were mired in racial unrest and race riots, for example, Atlanta said, ‘We can do better,’ and we did.”

Continued Glover, “Last month, we began closing the final chapter on public housing ‘projects.’ The U.S. Department of Housing and Urban Development approved the demolition of Bowen Homes. HUD agreed with our assessment that the 650 units were irrevocably deteriorated and obsolete. Moreover, the families who were living in that environment, which had become the poster child for concentrated poverty, may now — through a choice-driven and supportive process using a housing choice voucher — find housing that will meet their needs.”

Further, said Glover, “Roughly 80 percent of the tenants are women and their children. What about them? The answer needs to be stressed, underscored and emphasized: Every — *every* — resident of Bowen Homes will move to a new home of the family’s choice. The only exceptions are those who engage in criminal behavior, refuse to work or violate the terms of their lease. They would be ineligible to remain AHA tenants in any case. And via housing subsidy vouchers, the amount they pay for rent and utilities will remain the same — approximately 30 percent of their income.

The residents choose where they live, and we know from recent surveys that more than 98 percent of the residents want to move, and support our policies. AHA provides each family at least 27 months of coaching and counseling to manage the transition into mainstream America.”

Baltimore, MD — The *Washington Post* reported July 22 on the Democratic effort to include “\$4 billion in emergency aid to stabilize hard-hit communities by purchasing vacant and foreclosed properties.” Among those who thinks that is a good idea is

Paul Graziano, Baltimore Housing Commissioner and Executive Director of the city’s housing authority.

Says the Post, “Nonprofit developers have approached Graziano about buying foreclosures and fixing them up for low-income home buyers. But the banks that hold the properties have so far refused to offer them at a discount, meaning the nonprofits would need city subsidies. But with the slowdown in the housing market, Graziano said, deed transfer taxes have plummeted and the city’s budget is tight. White House officials say that an infusion of federal funds into a place like Baltimore would only enrich the banks, which continue to demand prices the market no longer will bear.

Graziano sees it differently. ‘We know that vacant houses have a profound impact on neighborhoods,’ he said. ‘If we could intervene, we could stop the bleeding.’

Camden, NJ — The Camden’s Housing Authority’s Baldwin Run community has been named one of 10 “great places to live” by *Cottage Living Magazine*.

“Formally known as Westfield Acres, the gang-infested, physically deteriorating public housing project made daily life hell for its residents and spread blight to surrounding historic neighborhoods. Tacking city and state funding onto a \$35 million federal HOPE VI grant, the Housing Authority of the City of Camden demolished Westfield Acres and, with the help of private developer Pennrose Properties and a nonprofit organization called St. Joseph’s Carpenter Society, redeveloped the land into a mixed-income community of rental units and attractive owner-occupied homes. Today, the peaceful, thriving neighborhood is called Baldwin’s Run.”

Continues the article, “Baldwin’s Run also has a brand-new, state-of-the-art school, complete with indoor pool, gym, and activities room with Foosball and table tennis. Thanks to cooperation among city and state officials, the housing authority, and Pennrose, the school shares its space with the local chapter of the Boys & Girls Club.” ■

\$25 billion price tag on fed housing bailout

*This story appeared in the Antelope Valley Press
Friday, July 25, 2008.*

Congressional budget experts estimate that a federal rescue of mortgage giants Freddie Mac and Fannie Mae may cost taxpayers as much as \$25 billion. Congressional representatives have been working on legislation that would tap the troubled twin agencies' profits to help save homeowners from foreclosure, according to the Associated Press.

The legislation sailed through the House on Wednesday and is now on track to pass the Senate and become law within days.

Freddie Mac is the Federal Home Loan Mortgage Corporation. Fannie Mae is the Federal National Mortgage Association.

The legislation would let hundreds of thousands of strapped homeowners refinance into more affordable, government-backed loans at fixed rates rather than lose their homes. The bill would send \$4 billion to hard-hit neighborhoods.

Freddie Mac and Fannie Mae own or guarantee \$5 trillion in U.S. mortgages - almost half the nation's total. Democrats planned to include a separate measure to increase the statutory limit on the national debt by \$800 billion, raising it to a total of \$10.6 trillion.

Not only do such fast-and-loose actions overburden taxpayers who are alive today, they will add to the Rocky-Mountain-high debt to be paid by future generations.

Treasury Secretary Henry M. Paulson has been pressuring Congress to add to the bill temporary (read: probably forever) power for the government to offer unlimited sums to prop up Fannie Mae and Freddie Mac, a backup plan he says is intended to help calm investors and stabilize financial markets.

Paulson said legislators needed to quickly approve the Freddie and Fannie package to make sure they maintain their critically important role in housing finance.

He said their operations are "central to the speed with which we emerge from this housing correction."

Even if this gimmicky, quick-fix plan works in 2008 and 2009, how will our grandchildren be able to deal with the nation's ever-increasing indebtedness later in the century?

People who believe the earth is flat and that aliens from other planets are roaming our planet probably think that the government can solve problems by simply cranking out more money at the mint.

But every taxpayer in the country should be fully aware how detrimental the actions of the D.C. desperados are to our national finances and standing in the world now and to our descendents for many decades to come.

dailynews.com

12 arrested in L.A. welfare fraud

From wire reports

Article Last Updated: 07/25/2008 07:06:14 AM PDT

LOS ANGELES - Twelve of 21 people accused of defrauding taxpayers out of more than \$2 million in funds for an in-home care program for the elderly and disabled were arrested in a countywide sweep, a prosecutor said Thursday.

Investigators discovered an "emerging trend" in the use of multiple identities to get aid from the \$1.6 billion In Home Supportive Services program administered by the county Department of Public Social Services, said District Attorney Steve Cooley.

"These criminals pose as both a provider and a recipient of IHSS care," Cooley said.

The IHSS program pays for aides to help elderly and disabled people with personal care and chores, enabling them to remain in their own homes instead of nursing homes.

Kim Johnson, 40, of Palmdale, and James Earl Brown, 40, and Jacqueline Hervey, 45, both of Lancaster, are accused of defrauding the state's IHSS program, the Los Angeles County Housing Authority and the Social Security Administration out of \$417,513.

Investigators saw Johnson driving a Cadillac Escalade while she was receiving \$194,000 in IHSS funds for 24-hour protective supervision, authorities said.

Johnson and Brown were expected to surrender later today, while Hervey was already in custody.

Janice Devon Jones, 52, and Lee Arthur McPhearson, 65, both of Los Angeles, are accused of defrauding IHSS and the county Housing Authority of \$335,735.

Prosecutors allege that Jones used an alternate name to bilk welfare and Section 8, while pretending to provide IHSS services to the father of her children.

Mary Alvarez, 66, and Jose Isabel Flores, 46, of Maywood, are accused of defrauding state and federal agencies out of \$306,106.

Authorities allege that Alvarez used two identities to receive double the IHSS and SSI benefits, and that Flores pretended to care for both identities.

The investigation identified one service provider wanted for murder, Cooley said. Officials said that person is not among the 21 charged in connection with the sweep.

The alleged scheme involved the use of multiple Social Security numbers obtained illegally and IHSS recipients choosing "their other identity as their provider," according to Jim Baker, assistant head deputy of the District Attorney's Welfare

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Fraud Division.

"Our whole system of government is based upon people being honest," Baker said. "Most people that apply are in fact needy. So, that's where part of the hole is -- our presumption that all people are honest."

The 2007-08 civil grand jury, which considered the susceptibility of the IHSS program to fraud, recommended fingerprinting, photographing and conducting criminal background checks of recipients and providers, Cooley noted.

Also urged were enhanced computer technology to cross-reference program participants and periodic reassessments of the recipients' needs.

Most of the loss could have been avoided if those safeguards had been in place, Cooley said.

"Now the irony is that our state Legislature each year passes legislation to eliminate or restrict fingerprinting of aid applicants. Fortunately, Gov. (Arnold) Schwarzenegger has vetoed all this legislation, and we urge him to continue to do so," the district attorney said.

Karen Johnson, chief deputy director of the California Department of Health Care Services, said one of her agencies' top priorities is "ensuring that public dollars are appropriately expended."

"We have a zero-tolerance policy for fraud, waste and abuse. Any loss of Medi-Cal funds due to such actions is unacceptable," she said.

Philip Browning, director of the county's Department of Public Social Services, told reporters that his department has referred more than 800 cases of alleged IHSS fraud to the state over the last few years.

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Five charged in Section 8 fraud scheme

*This story appeared in the Antelope Valley Press
Friday, July 25, 2008.*

By JAMES RUFUS KOREN
Valley Press Staff Writer

LOS ANGELES - Five Antelope Valley residents have been charged with defrauding the Section 8 rent subsidy program and other governmental aid programs out of more than \$700,000, with three of them accused of using aid money to buy a house.

The five suspects - three charged together and two charged individually - reportedly defrauded Section 8, in-home health care and disability programs, and also improperly used tens of thousands of dollars' worth of food stamps, officials said Thursday.

"They were creative in defrauding a multiplicity of public assistance funds," said Tony Bell, a spokesman for county Supervisor Michael D. Antonovich.

One of the five, Howard Ingram, 51, of Palmdale, also known as Howard Strickland, "was receiving health-care service wages for taking care of himself as well as a dead person," Bell said.

The district attorney's office was tipped off to possible fraud by calls to the Antelope Valley Public Assistance Fraud Task Force hot line, (800) 87-FRAUD, Bell said.

Kim Johnson, 40, of Palmdale; James Earl Brown, 40, of Lancaster; and Jacqueline Hervey, 45, of Lancaster are charged as part of one case. Prosecutors say the trio used government aid money, including \$100,000 in Section 8 benefits, to purchase an Antelope Valley home. While receiving \$194,000 for 24-hour protective supervision due to a purported disability, Johnson was seen driving a Cadillac Escalade, officials said.

Johnson, Brown and Hervey also fraudulently received \$19,000 in food stamps and \$93,000 in disability aid, Bell said.

Johnson, Brown and Hervey are charged with felony counts including conspiracy to commit a crime and grand theft of personal property and aid by misrepresentation.

Ingram and Janice Mitchell, 51, of Palmdale are accused in separate cases. Ingram allegedly defrauded the in-home health care system for \$150,000 and Mitchell is accused of fraudulently receiving \$150,000 in various public assistance funds, Bell said.

Hervey was taken into custody Tuesday in Los Angeles and was jailed in lieu of \$77,000 bail, according to Los Angeles County Sheriff's Department records. Ingram was arrested July 12 and Mitchell was arrested Thursday, records show.

The five Valley residents were among 21 people countywide against whom criminal welfare fraud charges were announced Thursday by District Attorney Steve Cooley. The 21 collectively are believed to have defrauded taxpayers out of more than \$2 million in public assistance funds, according to the district attorney's announcement.

"We've identified numerous cases where aid recipients and providers are receiving money under different identities," said James Cosper, head deputy district attorney of the Welfare Fraud Division. "That is, these criminals pose as provider and recipient of IHSS (In Home Supportive Services) care and access benefits from other aid programs such as Welfare, Section 8 and Social Security Income. Had the simple process of fingerprinting and photographing been in place, most of the loss attributed to these defendants could have been avoided."

Of the 21 defendants, 12 were arrested early Thursday by investigators of the state Department of Health Care Services, the district attorney's Bureau of Investigation and special agents of the Social Security Administration, Office of the Inspector General.

"Welfare fraud continues to plague our public assistance programs," Cooley said in the fraud case announcement. "This type of fraud can be prevented at the front end, and the 2007-08 Los Angeles County civil grand jury report outlines several significant measures to root out the parasites bleeding our welfare system."

At the district attorney's request, the 2007-08 Civil Grand Jury explored the susceptibility to fraud of In Home Supportive Services, a \$1.6 billion program for the elderly and disabled administered by the county Department of Public Social Services.

The grand jury recommended fingerprinting, photographing and conducting criminal background checks of recipients and providers; enhanced computer technology for the purpose of cross-referencing program participants; and periodic reassessments of the recipient's actual needs.

"One of the civil grand jury recommendations that would surely mitigate the problem of welfare fraud is fingerprinting," Cooley said. "It is ironic that while the state Legislature has repeatedly introduced legislation to limit fingerprinting, the grand jury has recommended just that in order to mend this broken system."

"As the 2007-08 civil grand jury noted in its current report, '(The In Home Supportive Services program) helps the truly needy, the thought-to-be needy and, in some cases, inadvertently supports criminal behavior,' " he added. "Our investigation identified one provider who was wanted on an arrest warrant for murder and a second provider who had a prior conviction for robbery. I doubt that a legitimate IHSS recipient would want either of these providers caring for them."

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Waters hails housing bill passage

By Gene Maddaus, Staff Writer

Article Launched: 07/26/2008 09:12:04 PM PDT

South Bay Rep. Maxine Waters had reason to smile Saturday.

Largely because of her efforts, the mortgage relief bill passed by Congress contains a \$4 billion grant for local governments to buy abandoned homes and resell them to low-income families.

Although President Bush is expected to sign the bill soon, he had originally threatened to veto the package because it included the grant.

Fearing the veto, House Democrats had stripped an earlier version of the provision from the larger housing bill, and were expected to remove it again.

But when the president sought congressional authority to prop up Fannie Mae and Freddie Mac, Waters saw an opening to insist on the money for local governments as well. Earlier last week, the president backed down.

"I must commend the president - I have never thanked him for anything," Waters said on the House floor. "They say politics makes strange bedfellows from time to time and this bill may be the finest example of that."

The bill is designed to steady the housing market by allowing the Federal Housing Administration to help refinance as many as 400,000 faltering mortgages. It also makes an explicit promise to rescue the two federally sponsored mortgage banks, Fannie Mae and Freddie Mac, that collectively own most U.S. home loans.

The legislation has been in the works for months. Waters initially proposed \$15 billion in community development grants for states and cities to buy foreclosed properties.

"Some cities have whole blocks that are foreclosed," Waters said. "They're boarded up. Sometimes criminals go in and strip out the copper, and homeless people try to sleep in them, and animals start to live there. It drives down the value of the adjacent homes."

Waters' original provision was removed from the House bill, and a more modest \$4 billion was placed in the Senate version. But the administration argued that the measure would not help homeowners, and could even prolong the housing crisis by providing an incentive for banks to foreclose.

But local government groups, like the U.S. Conference of Mayors, and housing activists argued that the funding would help stabilize neighborhoods that are in decline.

Kathleen Day, a spokeswoman for the Center for Responsible Lending, agreed that lenders would benefit from the funding, but said communities

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Housing Affairs Letter Stories posted week of 7/26/08 - 8/1/08

Affordable Housing

New Affordable Housing Trust Fund

Fannie Mae and Freddie Mac will be expected to be the primary financial support for a new national affordable housing trust fund, established in HR 3221. Adoption of the fund follows seven years of struggle and false starts for hundreds of affordable housing advocacy groups nationwide under the umbrella of the Nat'l Low-Income Housing Coalition.

The concept was first introduced by then-Rep. Bernard Sanders (I-VT), who now is in the Senate. Sanders modeled his proposal on a successful trust fund initiated in his home state. But the trust fund proposal encountered sharp resistance from the conservative Republican Study Committee (a continually evolving group of about 100 House members) who consider the idea a socialism experiment. Their view was reinforced by Sanders, who is an avowed Socialist seated in Congress as an Independent.

With Rep. Barney Frank's (D-MA) assent to the chair of the Financial Services Committee, the trust fund gathered new strength, but it comes at a time when the GSEs are struggling financially and there may be no profits to tap. Consequently, Congress, expected to finance the fund with about \$600 million a year initially, provides for appropriations from the general fund, money transfers or any other way to credit financial support for the fund.

The formula established by Frank calls for FNMA and FHLMC to provide the trust with four-tenths of a penny on each dollar of the unpaid principal balance of new business they generate. The amount, devised before the GSEs faced financial peril, is expected to raise up to \$600 million a year.

Of the total, the enterprises would put 65% into the trust and 35% into a Capital Magnet Fund created in HR 3221. The fund would provide grants to states to increase the supply of rental housing for extremely low- and very low-income families, including the homeless. The grants, to be doled out to qualified affordable housing developers, would target homeownership for the same category of low income families.

There is a hitch, and it may have to be addressed through appropriations as well. GSE new-business profits would be diverted to the HOPE for Homeowners Program under the Nat'l Housing Act to address the mortgage crisis for the next three years. All of the money that would go to the trust would help bail out families at risk of losing their homes in 2009. The percentage of GSE contributions would be scaled back to 50% in 2010 and 25% in 2011. But the formula is contingent on the GSEs having the money to spare.

HUD will administer the trust fund. The department is required to write rules specifying how the money should be spent. Financing political activities, advocacy, lobbying (either directly or through third parties), providing counseling services and paying travel expenses are prohibited. But the mandates are broad and thus left to broad interpretation. Complicating HUD's effort is the lack of a conference report accompanying HR 3221.

HAL is told there will be no report; that HUD must rely solely on the language in the 698-page law.

Treasury must set up a Capital Magnet Fund (CMF) to be a special fund within the Community Development Financial Institutions Fund. The fund would be seeded with the 35% of GSE profits and any money appropriated, transferred or credited to it.

CMF, controlled solely by the Treasury secretary, is designed as a competitive grant program to attract private investments in affordable housing and related neighborhood revitalization. Again, lawmakers left precise use of the fund vague, saying it can be used to provide loan loss reserves, provide risk-sharing loans, capitalize a revolving loan fund, capitalize an affordable housing fund, capitalize economic development activities or community service facilities to enhance affordable housing activities and stabilize neighborhoods.

08/01/2008 12:34 PM

Eminent Domain

Eminent Domain Limited In New Law

Use of eminent domain to take property for private development and profit is banned in the new housing rescue law when communities decide how to spend their shares of the \$3.9 billion Community Development Block Grant appropriation.

Congress took the move in HR 3221 after some cities, emboldened by the U.S. Supreme Court's 2005 ruling in *Kelo v. City of New London* relaxing eminent domain principles, decided to take private property on the most flimsy of reasons to increase public revenues through private development.

The housing bill allows communities to purchase foreclosed properties for renovation and resale. It contains language making it clear that any money received by states or local governments cannot be used for eminent domain unless it is for public uses only, and then defines public use by saying what it isn't. "Provided, that for purposes of this section, public use shall not be construed to include economic development that primarily benefits private entities," the new law says.

The \$3.9 billion provision was among several sticking points of President Bush's opposition to the bill. But he agreed to sign it after Treasury Dept. officials pressed the administration and Congress to bolster Fannie Mae and Freddie Mac, and then pass the bill as quickly as it could.

Info: Treasury Dept., 202 622-2000

08/01/2008 12:46 PM

whittierdailynews.com

Homeless housing site to expand

Salvation Army transitional center to get county funds

By Sandra T. Molina, Staff Writer

Article Launched: 07/27/2008 10:13:30 PM PDT

SANTA FE SPRINGS - The city's Salvation Army Transitional Living Center will be getting a \$1.8 million addition, thanks to Los Angeles County.

The county's Community Development Commission recently earmarked the money for a 10-unit facility to sit on the same piece of property as the current center.

It will provide homeless families with 36 to 46 beds and comprehensive services designed to stabilize the family and prevent a relapse into homelessness, said Lois Starr, acting director of housing development and preservation for the CDC.

"The project will increase transitional housing and services for homeless families in the county," she said. "It costs the county less money to provide housing for these families than to have them remain homeless."

No specific plans for the addition to the 3.22-acre property have been completed, said Cuong Nguyen, Santa Fe Springs associate planner.

They are expected to be finished and presented to the planning commission in late September and will most likely be approved, he said.

There are general plans, however, for a new plaza and a playground area, Nguyen said.

The facility itself will have individual apartments with their own kitchens, living rooms and one or more bedrooms and bathrooms, Huang said.

Families may reside in the facility from 12 months to a maximum of two years.

The center, which is affectionately referred to as TLC by the city, opened at 12000 E. Washington Blvd. in 1992.

"There is a good relationship between the community and the center," said LaCheryl Porter, project manager.

The program provides families with the tools they need to recover fully and achieve self-sufficiency, said Executive Director Joseph Ball.

More than 80 percent of TLC graduates find jobs averaging \$10 an hour plus benefits, and 90 percent move on to permanent, independent housing, he said.

TLC families receive residential care, literacy and job development services, GED preparation, offsite vocational training, employment assistance, and case-managed supports with counseling, 12-step groups, parenting education, life-skills classes and there is a licensed on-site

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child-care center.

Those living in the facility will have their own services similar to the ones available at TLC, Porter said.

"Residents will share the programs provided at both sites," she said.

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court pointed out that the board "repeatedly considered whether the applications contained enough information for the town to 'get started.'"

For example, the court noted, the Burrillville board found that one of the applications failed to satisfy three of the 10 factors for substantial completeness, but SHAB concluded that the application contained sufficient information on those factors. SHAB used similar language in its decisions on the other applications.

"This approach contravenes the very definition SHAB laid out for itself," the court said. "SHAB's definition makes clear that comprehensive permit applicants must do more than submit 'sufficient' information that merely puts the zoning board 'on notice' of potential problems to be solved on remand to the zoning board."

The court concluded that SHAB acted "arbitrarily and capriciously" by misapplying its definition of substantial completeness to the three applications in dispute. It also found that SHAB's findings of substantial completeness were not supported by legally competent evidence. The court reversed SHAB's decisions on all three applications and remanded the papers to SHAB.

PUBLIC HOUSING

* Dismissal of Eviction Action Reversed to Allow PHA to Cure Defective Termination Notice

Notice requirements in applicable federal regulations to terminate public housing tenants' leases are not jurisdictional, ruled the Texas Court of Appeals, Corpus Christi-Edinburg, which reversed the dismissal of a forcible detainer action to allow the housing authority to cure a defective termination notice. (*Corpus Christi Housing Authority v. Lara*, No. 13-07-00277-CV, 2008 WL 2764524 (Tex.App.-Corpus Christi), July 17, 2008)

The Corpus Christi Housing Authority terminated the lease of public housing tenant Maria Lara because she allegedly violated her lease and federal law by engaging in non-drug-related criminal activity. Lara successfully appealed to a local court and moved to dismiss because the notice was defective under federal law.

On appeal, the housing authority claimed that its notice was adequate, and that even if it was inadequate, Lara had actual notice of the lease termination, which should have been sufficient.

Termination Notice

The housing authority terminated Lara's lease when it received reports from police officers about her family's disruptive and threatening behavior. The housing authority gave her a 72-hour notice to terminate and vacate which contained copies of the police reports and detailed the lease provisions she allegedly violated.

The notice also told Lara she was not entitled to a grievance hearing, but said she could bring her case to court. The justice court entered judgment of eviction in favor of the housing authority, but a county court at law

ruled in favor of Lara, agreeing that the notice she received did not contain language required by regulations that specifies the judicial eviction procedure to be used when the eviction was for criminal activity or drug-related criminal activity.

In ruling for Lara, the county court held that the federal regulations at issue are subject to review for strict compliance, and that the housing authority's failure to satisfy federal notice requirements deprived the trial court of subject-matter jurisdiction.

Regulatory Interpretation

On appeal, the court reviewed the language of the applicable regulations, which uses the word "shall" to direct the housing authority's actions regarding the grievance procedure for the lease termination. The housing authority did not comply with the letter of the regulations.

Construing the plain meaning of "shall" as mandatory, the court said this did not mean that compliance is jurisdictional, and it looked to the purpose of the statute to determine the proper consequences.

The court said that reading "shall" as directory instead of mandatory would "dilute the procedural safeguards promulgated by HUD." The notice in this case did not specify which court would hear the eviction action, nor did it even cite the text of the regulation. Therefore, the court overruled the housing authority's argument that its notice was adequate.

Citing *Nealy v. Southlawn Palms Apartments*, 196 S.W.3d 386 (Tex. App.-Houston [1st Dist.] 2006), the housing authority also argued that Lara was not harmed by any alleged insufficiency in the notice because the protections in federal regulations exist to ensure that tenants receive adequate notice of the nature of the evidence against them, not to create jurisdiction.

Lara argued that notice requirements vest her with a fundamental due process right that is jurisdictional and is not subject to a harm analysis. The court was not persuaded by either argument and looked to case law for guidance.

Court Ruling

In *Hinojosa v. Housing Authority of Corpus Christi*, 896 S.W. 2d 833 (Tex.App.-Corpus Christi 1995), the housing authority issued a defective notice, and the tenant moved for dismissal. The housing authority moved to abate its detainer action to allow it to cure the defects. The court in that case abated the proceeding, and the case eventually was reinstated and tried to a jury on the merits.

Implicit in *Hinojosa*, the court said, is the notion that "the notice requirements contained in the applicable federal regulation are not jurisdictional." The court held that the trial court should not have dismissed the housing authority's detainer action, but should have abated the action to allow the housing authority to provide Lara with the federally mandated notice.

The court reversed the dismissal order and remanded the case to the trial court with instructions to abate the underlying action until sufficient notice is provided.

Bobbette Glover

From: Natalia Macias
Sent: Monday, July 28, 2008 3:05 PM
To: Arlene Black; Bill Huang; Bobbette Glover; Elisa Vasquez; Esther Keosababian; Lynna Ochoa; Marcie Miranda; Margarita Lares Herrera; Marie Quon; Richard Martinez; Yui Cheng
Cc: IGR-PI
Subject: FW: Action Alert: Supplemental Funding for Operating and Capital Funds
Attachments: schumersnoweletter.doc

CLPHA Alert

Sens. Charles Schumer (D-NY) and Olympia Snowe (R-ME) are circulating a draft letter to Sens. Robert Byrd (D-WV) and Thad Cochran (R-MS), chairman and ranking member of the Senate Appropriations Committee, urging them to support an additional \$1 billion in new funds for the Public Housing Operating (\$500 million) and Capital Funds (\$500 million) as a part of a second emergency supplemental or economic stimulus funding bill in FY2008. The letter is attached.

This is likely the last opportunity we will have in this Congress to secure any additional funding for these vital programs. **Please contact your senators and urge them to add their name to the Schumer/Snowe letter.**

7/30/2008

The Honorable Robert C. Byrd, Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Thad Cochran, Ranking Member
Committee on Appropriations
United States Senate
Washington, DC 20510

Re: Emergency Appropriation for the Public Housing Operating Fund and Capital Fund

Dear Chairman Byrd and Ranking Member Cochran:

As the Appropriations Committee moves forward in considering a second Fiscal Year (FY) 2008 emergency supplemental appropriation, we urge you to provide supplemental funding for the Public Housing Operating Fund and Capital Fund. Public housing is a national asset, serving nearly 3 million low income, disabled, senior citizens, and families while stabilizing neighborhoods throughout America.

Specifically, we request that you provide an additional \$500 million for the Public Housing Operating Fund and \$500 million for the Public Housing Capital Fund. This additional funding would create an immediate economic stimulus in communities across the nation while preserving the physical integrity of our affordable housing infrastructure and addressing housing needs in the wake of the current mortgage crisis.

In recent years, both the Appropriations Committee and Congress have made great efforts to improve upon a series of administration funding requests that have cut many housing and community development programs. However, despite those efforts, public housing faces tremendous needs in FY 2008. According to HUD estimates, available FY 2008 funding will cover just 81 percent of the amount necessary to provide for utilities, security, maintenance, fraud prevention, and services to vulnerable elderly people and families. The impact of this shortfall is compounded by years of underfunding: For the previous four consecutive years, the funds provided for public housing have fallen below 90 percent of HUD's projection of need.

The Public Housing Operating Fund is used to finance the portion of operating costs that are not covered by tenants' rent contributions. This funding is absolutely essential to maintaining affordability and providing safe, high-quality apartments to public housing residents. By providing \$500 million for the Operating Fund through the FY 2008 supplemental funding bill, the HUD-defined need covered by the federal government will increase from 81 percent to 92 percent. This will assist local housing agencies with providing basic maintenance activities conducted through direct and locally-contracted services, including carpentry, plumbing, painting, elevator, and HVAC maintenance. Without these essential funds, public housing authorities will be forced to make huge cuts in

staffing and inspections, resulting in a decreased quality of life for residents of public housing.

The Public Housing Capital Fund finances major repairs and renovations for public housing. With the nation's public housing authorities accruing new capital needs at a rate of \$2.3 billion per year, annual underfunding has produced an estimated \$18 to \$20 billion in capital needs necessary to preserve affordable housing. By providing \$500 million for the Operating Fund through the FY 2008 supplemental funding bill, the backlog of capital needs in public housing could be quickly addressed through services, construction, materials, and durable goods benefiting both low-income Americans and the economy. These supplemental funds would not only create jobs and stimulate the economy, but would also further the long-term preservation of affordable housing.

Providing \$500 million in supplemental funding for the Operating Fund and \$500 million for the Capital Fund in the FY 2008 supplemental funding bill will create an immediate economic stimulus while also protecting our nation's affordable housing infrastructure. As you move forward in developing a second FY 2008 emergency supplemental appropriation, we urge your strong consideration of this proposal.

Thank you for your consideration. Should your staff have any questions, they should contact Henry Hanscom at 202-224-5344 or Daniel Schneiderman at 202-224-9533.

Sincerely,

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Los Angeles Times

<http://www.latimes.com/news/la-na-bush31-2008jul31,0,3512217.story>
From the Los Angeles Times

Bush signs housing bill to provide mortgage relief

From the Associated Press

4:34 AM PDT, July 30, 2008

WASHINGTON — President Bush on Wednesday signed a massive housing bill intended to provide mortgage relief for 400,000 struggling homeowners and stabilize financial markets.

Bush signed the bill without any fanfare or signing ceremony, affixing his signature to the measure he once threatened to veto, in the Oval Office in the early morning hours. He was surrounded by top administration officials, including Treasury Secretary Henry Paulson and Housing Secretary Steve Preston.

"We look forward to put in place new authorities to improve confidence and stability in markets," White House spokesman Tony Fratto said. He said that the Federal Housing Administration would begin right away to implement new policies "intended to keep more deserving American families in their homes."

The measure, regarded as the most significant housing legislation in decades, lets homeowners who cannot afford their payments refinance into more affordable government-backed loans rather than losing their homes.

It offers a temporary financial lifeline to troubled mortgage companies Fannie Mae and Freddie Mac and tightens controls over the two government-sponsored businesses.

The House passed the bill a week ago; the Senate voted Saturday to send it to the president.

Many Republicans, particularly those from areas hit hardest by housing woes, were eager to get behind a housing rescue as they looked ahead to tough re-election contests. Paulson's request for the emergency power to rescue Fannie Mae and Freddie Mac helped push through the measure. So did the creation of a regulator with stronger reins on the government-sponsored companies, as Republicans long have sought.

Democrats won cherished priorities in the bargain: the aid for homeowners, a permanent affordable housing fund financed by Fannie Mae and Freddie Mac, and \$3.9 billion in neighborhood grants.

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August 1, 2008

Byrd Supplemental Proposal Would Boost Capital Fund

The Public Housing Capital Fund would receive an additional \$215 million as part of a supplemental spending bill supported by Senate Appropriations Committee Chairman Robert Byrd (D-WV).

"I have been working diligently with members of the Senate Appropriations Committee in the hopes of reaching an agreement to mark up an important second supplemental appropriations bill," said Byrd. "It is my desire to provide funding for critically needed investments in our infrastructure, for energy and economic recovery, and to alleviate the effects of natural disasters."

The \$24 billion proposal includes \$215 million in PHA capital spending, a CLPHA-initiated proposal, "to address critical and urgent safety, security, and energy-related needs," according to a committee press release. "Priority will be given for funding to be used to rehabilitate vacant rental units in order to meet the increasing demand for affordable rental housing," said the statement.

The Senate could take up the measure in September following the August Congressional recess.

Meanwhile, CLPHA is urging key House appropriators to boost not only the Capital Fund but also the Public Housing Operating Fund as part of the supplemental.

(Continued on p.4)

Housing Bill Contains PHA Provisions; Expands Tax Credits, Adds Flexibility

The housing bill signed into law by President Bush July 30 gives the Secretary of the Treasury new powers to shore-up Fannie Mae and Freddie Mac and includes billions of dollars to help up to 400,000 homeowners avoid foreclosure. Beyond those headline-grabbing measures, however, the legislation also includes significant new provisions designed to give PHAs and other low-income housing developers, more flexibility, and some additional resources, in meeting local needs.

The legislation, for example, includes a temporary increase in mortgage revenue bond authority to allow for the issuance of an additional \$11 billion of tax-exempt bonds to refinance subprime loans, provide loans to first-time homebuyers and to finance the construction of low-income rental housing. CLPHA-provided language was also included which allows PHAs to benefit from administrative and procedural changes in the expedited approval of transactions utilizing low-income housing tax credits or tax-exempt housing bonds.

Similarly, in a provision backed by CLPHA and a coalition of affordable

(Continued on p. 2)

* CLPHA Urges HUD to Reconsider Proposed FMR Reductions

HUD should re-evaluate proposed reductions in Fair Market Rents that may be unfairly targeting three PHAs which participate in the Moving to Work Program, CLPHA said in an Aug. 1 comment letter to the Department.

In the FY 2009 Proposed FMRs, published in the Federal Register earlier this summer, three agencies are reduced from the 50th percentile to the 40th percentile due, according to HUD, to failure of the FMR Area to report the minimum requirement of 85% of the housing choice voucher family resident records. This reduction would negatively impact the FMR Area by reducing the maximum rent a housing authority could pay, effectively limiting the housing options available to low-income families.

But under the Moving-to-Work program, CLPHA pointed out in its comments, housing authorities have the flexibility to develop their own local programs and combine their public housing operating, capital and housing choice voucher funding into one single-block grant authority. MTW agencies also have the flexibility to adjust the number of families served by the voucher program, as long as the agency continues to serve the

(Continued on p.2)

HUD Reports Drop In the Number of Chronically Homeless Persons

Last year, nearly 32,000 fewer persons lived on the nation's streets and in emergency shelters. That's according to a new HUD report that points to a 15 percent average yearly reduction in chronic homelessness since 2005. For the first time ever, HUD's *Annual Homeless Assessment Report to Congress* is also able to report on the scope of homelessness in America over a full-year period.

HUD defines a chronically homeless person as a disabled individual who has been continuously homeless for more than one year or has experienced at least four episodes of homelessness in the past three years. In January 2007, more than 3,800 cities and counties counted the number of homeless persons on the street and in emergency shelters on a single night.

Compared to counts conducted over the past two years, this "snapshot" shows a drop in the number of chronically homeless persons and in homelessness generally. To find local homeless data, visit HUD's website.

Local communities across the country report there were 123,833 chronically homeless persons in 2007, compared to 155,623 in 2006 and 175,914 in 2005. However, comparing the number of chronically homeless individuals from year to year should be done with caution. Declines can be attributed to several factors including increased funding from HUD and other sources for permanent supportive housing, improved data collection and reporting, and variation in the number of communities reporting these data on an annual basis. Still, these snapshot counts offer com-

munities a powerful tool to gauge their homeless challenge and to create innovative housing solutions in response.

Since 2001, HUD has awarded more than \$9 billion to support thousands of local housing and service programs throughout the nation and is seeking \$1.6 billion for the Department's *Continuum of Care* grant programs for FY 2009. ■

*New President & CEO to Lead San Diego Housing

Rick Gentry of Chicago, Ill., has been selected as the new President & Chief

Executive Officer of the San Diego Housing Commission. The position was previously held by Elizabeth C. Morris, who retired on January 15, 2008, after 29 years of service to the agency.

The position reports to the San Diego City Council, which sits as the Housing Authority.

Gentry has 36 years of experience in the affordable housing and community redevelopment field, including executive leadership positions at three housing authorities – Richmond Redevelopment & Housing Authority, Austin Housing Authority, and Greensboro Housing Authority. Currently, he is Senior Vice President of Asset Management for the National Equity Fund in Chicago, Ill., the nation's largest non-profit Low Income Housing Tax Credit syndicator.

He has also served as Vice President for Public Housing Initiatives at the Local Initiatives Support Corporation (LISC) in Washington, D.C., and worked for several years at

HUD.

Gentry's accomplishments include restoring the Austin and Richmond Housing Authorities to sound financial footing; participating in the development of Standard & Poor's rating system for housing authorities, now in use nationally; forging significant federal contacts; and providing testimony at congressional hearings on affordable housing issues.

San Diego City Councilmember Ben Hueso, who served on the selection committee, said, "To have someone of Rick's caliber with his federal contacts both at the congressional level and at HUD will raise the profile of the Housing Commission as well as highlight the challenges facing San Diego's low-income communities."

"I have great respect for the unique approach that San Diego has taken historically to its affordable housing needs," said Gentry. "San Diego appears never to have fallen for the uniform one-size-fits-all approach, and has always looked to define itself uniquely, as it should, and to look for unique San Diego-based solutions to deal with its affordable housing needs. I am looking forward to becoming not just an employee of the San Diego Housing Commission but also an integral part of the fabric of the San Diego community."

Gentry holds a master of arts in religion from Florida State University and a bachelor of arts in religion from Wake Forest University. ■

Publishing Calendar

CWR will resume publication when Congress returns from its recess after Labor Day. CLPHA will, as events warrant, distribute updates and action alerts during this time. ■

Felony raps up the ante in Section 8 battle

*This story appeared in the Antelope Valley Press
Friday, August 1, 2008.*

In the largest operation of its kind so far in Los Angeles County, housing investigators and sheriff's deputies hit the streets of Palmdale on Wednesday and made 10 arrests at Section 8 houses - seven for perjury and grand theft, three on other charges.

This is good news for everyone - except those arrested, of course.

Section 8 is a program under which tenants pay a portion of their rent, typically about 30%, and the federal government pays the rest to the landlord. Locally, the program is administered by L.A. County.

Valley Press readers will recall that during the last couple of years the county - at the impetus of Supervisor Michael D. Antonovich, along with Lancaster and Palmdale - has cracked down on those who cheat the system.

Tenants sign their applications under penalty of perjury, promising that they will not allow unauthorized persons (such as parolees or probationers, or a dozen or so of their closest friends) to live in the home. They also attest that they have no criminal record and no unreported income.

Despite these promises, many tenants have been discovered to be harboring unauthorized individuals. A surprising number of Section 8 beneficiaries neglect to mention that they have jobs and a decent income, which would make them ineligible for the program. Others fail to mention child-support income or other government benefits.

Individuals who cheat the system are not only ripping off the taxpayer, they are depriving a deserving disabled or elderly person a place in the program.

When compliance checks began, cheats lost their housing subsidies but faced no criminal charges. But beginning in January, the county upped the ante and decided to pursue felony charges of perjury for those who lie on their applications.

If Section 8 deadbeats have income they neglect to mention, they can be charged with felony perjury. And - since that lie led to them receiving money they otherwise would not have been eligible to receive - they are charged with grand theft as well.

We commend the authorities and offer a further suggestion: Word is getting out that the Antelope Valley is not the place to come if you want to cheat the Section 8 system. It's getting around by word of mouth and through the media. But just in case not all Section 8 tenants have gotten the word, we suggest letters be sent to all tenants explaining the new policy, reminding them that they signed their application under penalty of perjury and, in effect, that the county is not messing around with this stuff anymore.

It's serious.

You can call the Section 8 fraud hot line at (877) 881-7233.

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L.A. County boss faces friction on job

By Troy Anderson, Staff Writer

Article Last Updated: 08/03/2008 11:30:14 PM PDT

A year after restructuring Los Angeles County's top executive office in a bid to boost efficiency, the move has ignited political infighting, accusations of power grabs and micromanagement and concern by some that a new "super-bureaucracy" has emerged.

For years, the Los Angeles County Chief Administrative Office rarely ruffled feathers among the 37 department heads and five elected Board of Supervisors members overseeing the nation's largest county government.

But since giving the Chief Executive Office more power, the county nest has been torn by what some political observers see as a power struggle between Supervisor Zev Yaroslavsky - who initially proposed the creation of an elected county executive - and newly appointed Chief Executive Officer Bill Fujioka.

Yaroslavsky, a Democrat and influential member of the board's 3-2 majority, recently said the new management layer of deputy CEOs could be developing a "really unhealthy" culture, "budget decisions were being hatched" without consulting supervisors and communication between supervisors' offices is now reminiscent of how

"Russia used to be."

But Fujioka, who is taking several steps including sending "strike teams" into various departments to fix problems, defends his work.

"Like any major initiative, this is a culture shift," he said. "This is a paradigm shift. And as with any major initiative, after one year, you have to make adjustments to ensure whatever we do is as efficient and effective as possible."

Political analysts say they aren't surprised that tensions have developed as more power has been handed to a strong-willed executive the supervisors are finding harder to control.

"It takes awhile to get used to new things, and those that had power before might be giving up some now," said Bob Stern, president of the Center for Governmental Studies. "And that's always hard to do."

Fujioka also is making recommendations for the appointments of five department heads and has started "efficiency" initiatives to save taxpayers money.

He already has recommended the appointment of Dean Logan, whom the board recently named the county's registrar-recorder.

"I can't imagine the supervisors aren't nervous about the possibility they will lose control, for better or worse, for what they were elected to oversee, and losing it to an unelected bureaucracy," said Sherry Bebitch Jeffe, a political

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analyst and senior scholar at the University of Southern California School of Policy, Planning & Development.

The power struggle also comes as a recent 26-page report on the CEO structure by the Citizens Economy and Efficiency Commission noted the new system has created another managerial layer with five deputy CEOs - in stark contrast to the office of former CAO David Janssen, whose job was to keep the "budget in the black and keep things quiet."

The report authors wrote that some board offices and department heads believe the deputy CEOs are micromanaging departments and involving themselves in issues that should be the province of department managers, leading to significant delays in responding to constituent concerns and other county problems.

One board office described it as an "extra layer you have to go through, like a wall has been erected; now departments have to climb over the wall to get things done."

Some department heads also complained that the deputies "are more empowered than ever in making decisions" and "attempt to micromanage departments."

Supervisor Don Knabe said he wants to make sure the county is not creating "some new superbureaucracy at the deputy CEO level."

"I think the problem is the CEO is pushing the deputy CEOs to push the department heads,"

Knabe said. "They end up getting in an overload situation and in some cases it's slowing everything down."

"Problems just sit there and don't get acted upon. The whole purpose of this was accountability and to move the day-to-day operations quicker and faster so we can deal with the broader policy issues."

Report authors noted one of the goals of the new structure was to free up more of the board's time for larger policy debates. But the authors found the percentage of items held at board meetings for policy discussion has not changed.

They wrote that the board has not "let go yet," preferring to focus intensely on oversight and operational issues than policy issues.

And at a board meeting late last month, Supervisor Michael D. Antonovich said he was concerned about the costs of the new structure.

"When the ordinance was being discussed, the CAO at the time indicated that there would be no costs basically associated with it," he said. "However, now in retrospect, we find that it's nearly a \$2 million increase in net county cost."

"So did the commission look at the increased costs to determine whether the benefits outweigh the costs?"

Although the commission didn't explore the costs, a Daily News review in March found that since the new structure went into effect, the

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CEO's office budget has surged nearly 50 percent from \$27.7 million in 2006-07 to \$41.2 million in 2007-08.

The new deputy CEOs draw annual salaries of more than \$200,000 each, and their executive secretaries make \$73,000 a year or more.

But Fujioka said he is working to address supervisors' and the commission report's concerns and notes the report also says the new structure has resulted in significant progress in improving county services.

He said the report notes "increased collaboration and communication" between departments that long operated as independent "silos."

And some department heads say Fujioka's teams have been helpful. A "strike team" recently was sent to the Department of Children and Family Services after a series of audits found procurement, contracting and other problems.

"The CEO is helping us in coming up with creative ideas and how to utilize less resources to get the job done," DCFS Director Trish Ploehn said. "We are facing a potential (\$25 million) budget cut with the state budget, so it's critically important my administrative structures are streamlined, and this has been a big help."

Fujioka also sent a "strike team" into the health department to address problems at the former Martin Luther King/Drew Medical Center and to find ways to save money in the health

department.

Department of Health Services Interim Director John Schunhoff said the team has been helpful in restructuring the MLK clinic and identifying problem employees who had been shuffled around the county.

"Another team is coming in to help us shore up our human resources operations, including performance management, which has to do with discipline to really strengthen it and to try to make sure we have a system in place to take care of these issues so they don't happen again," Schunhoff said.

But in response to the commission's report, the supervisors late last month directed Fujioka to meet with the supervisors' chiefs of staff to review eight recommendations and come up with a joint proposal for the board's approval.

"This is the county of Los Angeles, which has been in place for more than 100 years," Fujioka said. "To change this structure is going to take time. The fact we have multiple instances of better and strong collaboration and coordination after only one year is significant.

"I think it would be a tragedy if we returned to the status quo. We just need to continue working collectively and collaboratively together. It's my goal to make this work and move it forward."

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Wednesday, August 06 2008 - 01:25 PM

HickLing Quoted On Section 8

Unannounced Section 8 Searches Raise Alarm Police Use of Housing Authority to Enter Homes Violates Civil Rights, Lawyers Say

JULIANE BACKMANN / for the Daily Journal

LOS ANGELES - A loud, clanking noise awakened Elvira Evers. The 55-year-old was still half asleep when she opened her front door to find five men, four in police uniform, standing behind her security gate on 146th Street in Gardena.

“The police officers were hitting the gate with their batons,” she said. “It was still dark, and when I opened the door, they shined their flashlights in my face.”

One of the men, a Los Angeles County Housing Authority investigator, said he was there to conduct an unannounced compliance check, to see that Evers was living in accordance with a federal housing subsidy program.

Evers had been receiving the subsidies, commonly called Section 8 vouchers, since 1992. She had never heard of unannounced compliance checks, and she was surprised to see a Housing Authority official surrounded by armed

police officers. But she invited the men inside.

"I don't have anything to hide," she said. "Ever since I got on Section 8 I had no kind of problem."

The investigator, Evers said, stood by the door while the police officers searched the apartment and interrogated Evers and her children. They told her they were looking for firearms and drugs.

The officers had no warrant, but housing investigators do not need one to enter a subsidized unit. Increasingly, police officers and sheriff's deputies have been using the county Housing Authority to gain access into homes, even when they have no evidence that residents are involved in criminal activity.

County and local law enforcement officials say the searches are useful in fighting crime and rooting out people who are defrauding the system. They say they always get consent to enter a unit. Civil rights attorneys say the practice is in violation of the Fourth Amendment's prohibition on warrantless searches. They say tenants feel they must consent to Housing Authority investigators because they depend on the county for their monthly rent and are not aware that they are also consenting to a criminal investigation.

The Housing Authority searched the homes and apartments of all Section 8 recipients on Evers' block after a Gardena police officer called in January to request assistance in dealing with what he called a "troublesome" area.

The officer, Octavio Saldana, told a Housing Authority investigator there was a "sudden increase in the number of East Coast Crips gang members moving into Gardena," according to Housing Authority documents.

Saldana did not suggest a connection between any specific Section 8 recipients and the alleged gang activity.

But at Saldana's request, Housing Authority investigator Tom Scott turned over information on the 34 families on the block receiving Section 8 vouchers. He also told Saldana that he and other Housing Authority investigators could come to Gardena to conduct unannounced compliance checks with Gardena police officers on all 34 locations.

"The assumption is because somebody's poor and they need Section 8, they must be the gang people," said civil rights attorney Carol Sobel. "That is a pernicious and an erroneous assumption.

"Section 8 is an economic benefit. It's not a penalty," Sobel said. "Getting Section 8 is not a trade for your Fourth Amendment rights."

When the Gardena police officers found no evidence of criminal activity, Evers said, they began to focus on the possibility of a Section 8 lease violation.

She said they asked her about a TV she has in her otherwise bare living room. They went through her closet and asked her 16-year-old daughter why her mom had so many clothes.

"The officer said 'You're not reporting everything to Section 8,'" Evers said. "I told him 'Sir, I report everything.'"

Evers' older children, who were not on her Section 8 lease, were sleeping in the apartment. Evers told police they were there to take care of her because she was sick. According to Housing Authority documents, Evers admitted during the search that her older sons had for the last year spent two days a week in her apartment.

A few weeks later, Evers was terminated from the Section 8 program for having unauthorized guests.

"Everybody got terminated," she said. "Everybody I know on block 1600 was terminated."

Saldana did not return calls, and Housing Authority supervising investigator Robert Nishimura, who signed off on

the searches in Evers' neighborhood, declined to comment.

But Bobbette Glover, a Housing Authority assistant director, said the agency partners with law enforcement "all over the county."

"Where there's law enforcement who can help us out or who we can help out, we partner with them," she said. "It's a more effective means of enforcement, whether that's law enforcement or enforcement of the Section 8 program."

Glover said the Housing Authority contacts the sheriff's department if it suspects criminal activity.

"If we have reports about gang activity or drug activity, we call them up," she said.

But often, it's the police or sheriff's department that calls the Housing Authority, as in the Gardena case, to ask for information.

"Sometimes they'll say, 'We're looking at this apartment complex. Can you tell us if there are any tenants on Section 8?'" Glover said.

"They're not going out looking for people who have committed Section 8 fraud, they're looking for people who have committed a crime," she said. "Usually the Section 8 component is secondary. Almost always it's secondary. But if they find something that is a program violation, our investigator is there."

The Housing Authority distributes federal rental subsidies in all of the unincorporated areas and many smaller cities throughout Los Angeles County.

In the Antelope Valley, more than 80 miles from Gardena, the agency has been open about its sweeps of Section 8 residences with the sheriff's department.

Attorneys from Neighborhood Legal Services began hearing complaints a few years ago about searches in that area.

"These are people who as a general rule did not have problems with their Section 8 subsidies," said Neighborhood Legal Services Executive Director Neal Dudovitz.

Neighborhood Legal Services lawyers have represented individual tenants from the Antelope Valley whose Section 8 vouchers were terminated.

In almost every case, a Los Angeles County Superior Court judge has reversed the Housing Authority's decision to terminate the tenant from the program. But the legal aid group hasn't yet been able to challenge the constitutionality of the searches.

"The 'investigations' are sold by officials in the Antelope Valley as a crime-fighting measure," Dudovitz said. "If that's true, it means searches must comply with Fourth Amendment's constitutional limitations on searches of homes. People have a right to expect to be treated in a way consistent with the Constitution, especially when it comes to the privacy of your home."

The Section 8 program, in which qualified recipients pay one-third of their income in rent and the federal government pays the rest, was designed to give poor families a way out of housing projects and into communities with better schools and job opportunities.

The federal program caps what Section 8 landlords can charge in monthly rent, and these limits have made outlying areas of Los Angeles County much more appealing to landlords in recent years, as rental prices in the city of Los Angeles have soared.

As a result, the once predominantly white Antelope Valley has seen an influx of poor families on Section 8, many of them black.

“There was a hysteria around Section 8 in the Antelope Valley,” said Neighborhood Legal Services housing attorney Stephanie Haffner. “Section 8 participants were being blamed for all the ills of the valley, and the language in the local press was racially coded.”

Supervisor Michael Antonovich, whose district includes the Antelope Valley, joined forces with local politicians four years ago to fund a special investigations unit within the Housing Authority. The investigators, all of them retired sheriff’s deputies, work directly with the sheriff’s department, sharing information and coordinating enforcement efforts.

Neighborhood Legal Services attorneys said some investigators have desks at local sheriff’s department offices.

“It was a very new approach,” said Antonovich deputy Norm Hickling. “There were no other communities working in such a cooperative manner with the county and with law enforcement.”

Hickling said the cities of Lancaster and Palmdale, which make up the Antelope Valley, were experiencing a rise in crime.

“You can’t attribute all of it to the Section 8 program,” he said. “But a lot of the complaints involved people on Section 8.”

The Housing Authority set up a Section 8 fraud hotline in the Antelope Valley, where anonymous callers could report what they deemed suspicious activity in Section 8 households.

“It could be an inordinate amount of people coming in and out of a house, or it could be a code violation on a house or suspected criminal activity,” Hickling said. “There was really no other community that was taking such an aggressive stance, going after the people who were defrauding the system.”

Hickling said the waiting list for Section 8 vouchers is long, and the crackdown is making room for those who really need the subsidies.

But the effort has resulted in a significant decrease of Section 8 residents in the Antelope Valley. And Dudovitz said the program is having a disproportionate effect on black families.

“Our experience is that the Section 8 families subject to these ‘investigations’ are overwhelmingly African-American, and we should all be concerned about that,” Dudovitz said. “I hope we have moved beyond the ‘60s when some people tried to equate African-Americans on welfare with crime.”

Hickling said race is not a factor in the investigations. “The complaints that have come in from the community that our agents have responded to have strictly been based on behavior,” he said. “Race has no bearing whatsoever on the investigations or the Housing Authority’s decisions, which are based on rules the participant agreed to adhere to.”

Hickling said the Antelope Valley’s approach to Section 8 enforcement initially concerned officials at the federal Office of Housing and Urban Development.

“They were watching the program very carefully,” he said.

But federal housing officials in Southern California were already familiar with the methodology. Four years ago, the federal HUD inspector general’s office monitoring Southern California’s housing authorities was itself conducting unannounced compliance checks with armed law enforcement.

Jim Todak, special agent in charge at the inspector general’s office, said his office no longer conducts

unannounced inspections.

“I know we don’t do that anymore,” he said. “I know there were different things that we’ve done, and I can’t comment on that.”

Todak’s office conducts inspections in areas where housing authorities do not have their own investigators.

In 2004, the mayor pro tem of Hawaiian Gardens, a community just north of Long Beach, wrote a letter to the Long Beach Housing Authority warning officials there that the unannounced inspections instigated by the inspector general’s office could lead to civil rights lawsuits.

“I am deeply concerned with the methodology utilized by the office of the federal Inspector general for Section 8 housing inspections,” wrote then-mayor Leonard Chaidez in a letter dated Oct. 24.

Chaidez described the process, which he said became known to him only after the first round of inspections occurred and voucher-holders began to complain.

“The inspector general’s office communicates with your law enforcement agency, usually by phone or verbally to suppress any written documentation, protecting the inspector general’s office from liability,” he wrote. “A list of Section 8 participants is compiled with the assistance of your Housing Authority staff ... a date for these surprise inspections is made by all parties.”

Chaidez said the Section 8 recipient, “surprised and half asleep in many cases,” fears being cut off from the program if he or she does not consent.

“Furthermore, no agents disclose that the recipient has a right to refuse and not give consent to the inspection,” he wrote.

Chaidez said he feared the inspections violated federal HUD policy, which mandates that housing authorities conduct inspections at reasonable times and after giving reasonable notice.

He told Long Beach city officials that the Hawaiian Gardens Housing Authority would no longer cooperate with the HUD inspector general’s office on the unannounced inspections.

Chaidez no longer works for the city of Hawaiian Gardens and could not be reached for comment.

Todak, who joined the Southern California office two years ago, wouldn’t comment on Chaidez’s complaint. But he said his agency has since “taken steps to go a little bit further.”

“We’re getting search warrants,” Todak said. “I’m not commenting on whether it was wrong. I’m just saying this is what we’re doing now. We don’t do an unannounced knock. We don’t support it, and we don’t do things that way.”

But his office hasn’t stopped housing authorities from utilizing the practice.

Todak is familiar with the policy at the Los Angeles County Housing Authority, but said he “can’t tell people what to do unless they were violating the law.

“You can always talk about what you think is best, but I don’t have control over everything the local housing authorities do,” he said. “I’m sure they’re doing what they think is right.”

Whether the checks are unconstitutional, he said, is an issue “that can be debated in the courts.”

The 9th U.S. Circuit Court of Appeals recently held that eligibility inspections of welfare applicants’ homes did

not amount to Fourth Amendment violations. The 2006 opinion said the searches were allowed because they were purely administrative, were made during the brief time period after the initial application for benefits and involved advanced notice. *Sanchez v. County of San Diego*, 464 F.3d 916, 921 (9th Cir. 2006).

Civil rights attorneys said that opinion could be used against the county in court.

“They went to great lengths [in the Sanchez case] to emphasize that this was part of the administrative process and not a part of a criminal investigation,” said Western Center on Law and Poverty attorney Robert Newman, co-counsel on the case.

But the Housing Authority searches, he said, “are obviously a criminal investigation in the guise of a search. There’s no question that’s what’s going on here.”

The situation in the Antelope Valley is similar to one in the city of Antioch, east of San Francisco. The predominantly white area saw an influx of black families on Section 8 in recent years.

City officials publicly attributed problems in the area to the increase of Section 8 residents, and Antioch police and politicians demanded that the Housing Authority of Contra Costa County turn over a list of all Section 8 residents in the area.

But the Housing Authority refused. And last year, the Contra Costa County counsel’s office wrote a letter to local politicians explaining that the Housing Authority could not legally turn over such information.

“Release of information regarding participants in the Housing Authority Section 8 Program to the city of Antioch for the purpose of assisting the city in tracking these individuals or targeting code enforcement activities is not sanctioned by state or federal law,” the letter states.

The release of such information, according to the letter, would amount to a violation of state and federal privacy laws and could be grounds for legal action against the Housing Authority.

“The fact that a person is receiving public assistance is not sufficient legal grounds to subject that person and his or her family to routine, extensive police surveillance,” the letter says.

In Gardena, Evers has managed to stay in her apartment with help from her older children.

“We had to come up with another \$900 for rent, and everybody put in a little,” she said. “My kids are helping me right now, but I can’t depend on them forever.”

Evers, who for the last eight years has been in charge of Christmas decorating outside her building, breaks down when she talks about the future. “This year I don’t feel like doing nothing,” she said. “I’m barely making it.”

Section 8 Apartments

We Have Over 6 Million Apartments For Rent
- Pics, Floor Plans & More

V:Vion 8

08/06/08 - 01:28 PM

socanative says...

Neighborhood Legal Services lawyers have represented individual tenants from the Antelope Valley whose Section 8 vouchers were terminated.

In almost every case, a Los Angeles County Superior Court judge has reversed the Housing Authority’s decision to terminate the tenant from the program. But the legal aid group hasn’t yet been able to challenge the constitutionality of the searches.

Yea, that tough on crime stance looks as though its really not making a difference. If this article is true, it appears the AV taxpayers are just throwing money out the window.

(send private message)

08/06/08 - 02:42 PM

Ray Cunneff says...

So what's the remedy?

It seems reasonable to me that, in the end, the warrantless and unannounced searches will be judged unconstitutional. Receiving public assistance should in no way suspend your rights as an American citizen. (In my opinion.)

But the larger question (in my opinion) is why would the Housing Authority resort to such tactics, especially when these decisions were being reversed "in almost every case"?

If true, the article suggests that they are harassing the wrong people, the very people Section 8 was designed to help. With no lack of complaints of Section 8 abuses, why search a home where there has been no complaint? And why in the dark?

At the very least, you would think it might occur to the Housing Authority that their investigative tactics had been monumentally unsuccessful and to consider a different methodology.

(send private message)

08/06/08 - 03:02 PM

socanative says...

RC: The woman who the article is about acknowledges she lost her Section 8 grant for having unapproved people living with her. However, we all know and have read that here in the AV, some Section 8 tenants have been found doing far worse than having a few unaccounted people living at the residence. I find it hard to believe that Judges would reverse "almost every case" presented to them. I guess we need more clarification from the powers that be at Section 8.

You asked what the remedy was. I don't know. But I would start with immediately eliminating money for anyone who is not elderly or disabled. Able bodied adults, single parents included, should not be admitted into these types of programs.

I haven't seen anything written about how effective the program is. Maybe its about time for the taxpayers to find out what is really going on.

(send private message)

08/06/08 - 03:06 PM

Ray Cunneff says...

They do cost-benefit analyses on everything else, what's the ratio on Section 8?

(send private message)

08/06/08 - 03:12 PM

socanative says...

Truthfully, I don't think they want us to know. Its federal money regulated and/or doled out by California, can you imagine how many federal & state employees get a paycheck for being involved in the administration of the program? This is a cash cow every way you look at it.

Clinton overhauled welfare and I think its high time that both the feds and the states do the same with Section 8.

(send private message)

08/06/08 - 03:19 PM

Ray Cunneff says...

"Federal money regulated and/or doled out by California..."! That's mind-boggling when you think about it. The

potential for fraud and waste has to be enormous!

So let's ask Norm Hickling. How successful has this program been?

Whats's the report card on Section 8?
([send private message](#))

08/06/08 - 03:23 PM

socanative says...

Section 8, I think falls under the umbrella of HUD. We all have read the waste going on over there.

There's a reality show. Have a "fake" person see how easy or hard it is to get benefits. Can you imagine the uproar that would be caused once the fraud was exposed?
([send private message](#))

08/06/08 - 03:28 PM

socanative says...

Too, its not just the poor who are defrauding HUD. Its teachers and cops too.

...Federal officials are demanding repayment of about \$1.2 million from 54 police officers and teachers who defrauded a program that helped them buy houses in return for living in poor, crime-ridden neighborhoods.

Federal housing officials also say they have tightened controls on the program, which was suspended for four months because of fraud and mismanagement. The program resumed last week.

"While most of the officers and teachers who purchase houses through these programs play by the rules, there is no doubt we needed to implement more aggressive monitoring and tighten controls," Housing Secretary Mel Martinez said.

The Officer Next Door/Teacher Next Door program lets police and teachers buy homes in poor areas at half-price. The Department of Housing and Urban Development controls the home sales because previous owners had defaulted on government-backed loans.

The idea was to improve poor neighborhoods by deterring crime, strengthening ties with police and schools and providing role models for other residents.

About 5,700 police officers and 1,500 teachers have bought half-price homes since the program began in 1997.
([send private message](#))

08/06/08 - 04:11 PM

RealSteve says...

socanative

So fine, respect people's Fourth Amendment rights. Add a hoop that HUD inspectors have to go before a judge, show probable cause and get a warrant. I'm not buying the argument that just because someone is on section 8 that they loose their Constitutional protections. I'm a Goldwater Republican type and Old Barry was pretty clear on this sort of stuff.

Yea a pain in the butt, so what, respect the Constitution by going the extra step and throwing cheaters out of the Section 8 program becomes easier to do.
([send private message](#))

08/06/08 - 05:35 PM

scdyne says...

Neighborhood Legal Services lawyers have represented individual tenants from the Antelope Valley whose

Section 8 vouchers were terminated.

In almost every case, a Los Angeles County Superior Court judge has reversed the Housing Authority's decision to terminate the tenant from the program. But the legal aid group hasn't yet been able to challenge the constitutionality of the searches.

Yea, that tough on crime stance looks as though its really not making a difference. If this article is true, it appears the AV taxpayers are just throwing money out the window.

The agenda of this article is toward the violation of the individual rights. I have to believe that the statement *In almost every case..* is a vague statement and biased toward making the reader believe it's true. It follows the emotion of the story and **In almost ever case** total B.S.

I agree with respecting the 4th Amendment, however if the FACTS are presented for each case as to why the inspection was conducted it is **In almost ever case** because there is known questionable activity and/or reports of it on file to justify the inspection.

I reported people living in a home around the corner from the Catholic Church in Palmdale and it was inspected/raided. The Families left the next week and now the house is up for sale. Kids were out in the street all hours of the night cussing and yelling. Rocks were thrown all over the neighborhood from there property and it was a total mess.

People of all backgrounds take advantage of the Section 8 program and it's because there isn't a valid system of checks and balances in place for it.

Solve the section 8 problem and solve a lot of the A.V. crime problem. It's a proven fact that it's a major source of distribution of crime in other wise safe neighborhoods.

(send private message)

08/06/08 - 05:46 PM

PKShaw says...

Since when do we OWE anyone Sec 8 benefits? Recipients should view this as a gift and gifts can be withdrawn at any time for any reason or no reason at all.

This is the biggest problem I have with government being in the social service business. Every handout eventually stops being a gift and becomes an entitlement. It's sickening!

(send private message)

08/06/08 - 07:17 PM

Just a mom says...

What bothers me so much is the fact that for 16 yrs. this woman has been getting nearly free housing. For 10 yrs. the wait is on and then you get your nearly free housing and so what was she doing prior to that. I think giving housing for 1-2 yrs. should be enough time to start earning and developing a sense of worth to become a functioning part of society. Life time FREE housing should not be an option.

(send private message)

08/06/08 - 07:19 PM

RealSteve says...

Just a mom

Welfare reform was supposed to fix the problem of people who had a life style of being on welfare, obviously it hasn't.

The hidden secret is that many people on welfare also have cash economy income that never gets reported.

(send private message)

08/06/08 - 08:11 PM

Captain Jason says...

You are correct in your assessment, RealSteve, in that the current arrangement of welfare encourages an

unreported cash economy in its recipients.

The attempt to reform welfare actually made the trap of cash aid even stickier and is a more blatant failure for all involved, both recipient as well as taxpayer, than before.

([send private message](#))

08/06/08 - 08:21 PM

RealSteve says...

CJ

But how do you explain BillyWifeBuyer? Must be the plain old stupidity trap.

([send private message](#))

08/06/08 - 08:22 PM

Captain Jason says...

RS, he is in his own class... No further discussion is necessary, is it?

([send private message](#))

08/06/08 - 08:28 PM

RealSteve says...

CJ

Wrong word...not class, category, species, genius, but BillyWifeBuyer and the word class should never appear in the same sentence.

([send private message](#))

08/06/08 - 09:02 PM

barbb143 says...

Sobel said: "Getting Section 8 is not a trade for your Fourth Amendment rights."

Nothing in life is free. Maybe that needs to be the cost of using section 8. I will not lose sleep over it. You should also lose the right to own a newer Lexus like the section 8 renter in my neighborhood.

([send private message](#))

08/06/08 - 10:34 PM

Randy Hall says...

Barbb is right on. Take benefits from Uncle Sam be prepared to sleep with him too. It's the cake and eat too argument.

New mantra: No food stamps for fat people! No Escalades for section eighters either!

([send private message](#))

08/06/08 - 11:19 PM

mattkeltner says...

Remember when public assistance was tied to having to perform actual labour (like during the New Deal under FDR)for the government?

We ought to return to that.

([send private message](#))

08/06/08 - 11:38 PM

mattkeltner says...

...*"But the effort has resulted in a significant decrease of Section 8 residents in the Antelope Valley."*

I sensed this was the case—especially on the eastside of Lancaster where my parents live. The whole area is looking better. You don't see these menacing thugs standing on all of the street corners like you used to. You actually see **normal** people and kids out playing.

We should be celebrating that the article mentioned that! That's what happens when people remain vigilant.
(send private message)

08/06/08 - 11:46 PM

PKShaw says...

So far Palmdale is the only city in the nation to criminally prosecute Sec 8 abusers. I hope we are starting a trend.
(send private message)

08/06/08 - 11:52 PM

mattkeltner says...

I never knew Palmdale did that ?

(send private message)

08/07/08 - 12:01 AM

PKShaw says...

Reading the AV Press provides valuable information, Matthew. You should try it!

(send private message)

08/07/08 - 08:43 AM

Redflag says...

Randy Hall: "New mantra: 'No food stamps for fat people.'"

But perhaps you need be thankful for the existence of the Food Stamp program, Randy. After all, were it not for such liberal *and* conservative "reforms"/gatekeepers, capitalism would soon give way to that next and most logical phase of human social evolution.

Yet more for our hypocritical right-wingers to ignore.

Persevere.

Guy

Good day.

(send private message)

08/07/08 - 10:00 AM

138hwy says...

Some pretty amazing replies to this subject, as per usual. So, someone lucky enough to get a \$3,000. dwelling @ 30% rent finds it "hard" to abide by any rules and allows 4 other people to live with her against the section 8 rules?

myohmy!!

Someone should advise them that they simply cannot bring up the (trash) lifestyle from whence they came.

Would seem to me that if a house if "handed" is handed to you, then you would do all in your power to keep it sparkling clean and not allow AANY un-authorized person(s) in the house at any time.

However, some libs think it unreasonable and is "racist" to evict meth users , prostitutes and paroles from these section 8 dwellings.

(send private message)

08/07/08 - 10:04 AM

Randy Hall says...

"After all, were it not for such liberal and conservative "reforms"/gatekeepers, capitalism would soon give way to that next and most logical phase of human social evolution."

I think if we celebrated success instead of celebrating dependency, capitalism would be unfettered to allow even more human social evolution. It is after all the most capitalist countries that have witnessed the most phenomenal social evolution in mankind's history. I could list the major ones in the last hundred years but you already know what they are.

For MK, if you tie general relief or welfare benefits or any government charity program, to labor you will be using force. In Germany a young woman was denied unemployment benefits because she refused to be a prostitute. MK is that kind of what you had in mind?

(send private message)

08/07/08 - 10:31 AM

4theloveofGod says...

I see no problem with unannounced searches. These people live off of TaxPayers who are fed up with the Scammers.

They should also be Drug tested unannounced if its okay for employers to do it why can't the state?

Lets face Reality not everyone is Honest. And lots of Section 8's are Scammers.

(send private message)

08/07/08 - 11:04 AM

socanative says...

Doesn't the COL now have a Section 8 Task Force headed by Sherry Marquez? If so she should be attending each and every hearing to evict these Section 8 criminals and reporting back to the community at CC meetings just exactly what was the result of the hearing.

(send private message)

08/07/08 - 11:15 AM

induhav says...

Unfortunately Sherry Marquez is apparently missing in action. She is so darn quiet now that she has been elected, not like the feisty self directed person she was elected as.

Sherry oh Sherry where for art thou? Not that I agree with all of her philosophies and such but dang she had her own voice and you had to respect that.

Hope all is well Sherry!

induhav

(send private message)

08/07/08 - 11:16 AM

Lancaster Nana says...

I agree with the Mayor. He said we can discuss how people need Section 8 til the cows come home and we would be right. This doesn't change the fact that our community can no longer bear the weight of Section 8. Until we return the balance between low income rentals with single family home ownership we are all at risk of being exploited by gangs and criminals.

(send private message)

08/07/08 - 11:19 AM

Lancaster Nana says...

Sherry Marquez has done more to stop Section 8 than anyone, including the Mayor. Just because she isn't throwing a press conference every other day doesn't mean she is not making real progress towards a solution.

(send private message)

08/07/08 - 11:19 AM

socanative says...

LN: All the enforcement in the world doesn't matter if the cases are being reversed. We, as taxpayers, are just throwing away our money.

"...In almost every case, a Los Angeles County Superior Court judge has reversed the Housing Authority's decision to terminate the tenant from the program. But the legal aid group hasn't yet been able to challenge the constitutionality of the searches."

If we had a CC member attending these hearings we could find out which Judges are siding with the Section 8 recipients. Then when the Judge seeks re-election, we turn our votes elsewhere.
([send private message](#))

08/07/08 - 11:21 AM

Lancaster Nana says...

Good idea socanative.
([send private message](#))

08/07/08 - 11:35 AM

Randy Hall says...

Great idea! "Then when the Judge seeks re-election, we turn our votes elsewhere." I'd also like to add, we put a section 8 home next door to the judge and a paroled pedophile on the other side.
([send private message](#))

08/07/08 - 11:39 AM

socanative says...

I wonder if child welfare searches in Section 8 properties are allowed? What happens if the kids are removed, leaving the parent with an empty house. Does the social worker notify Section 8?

No one can dare refuse to open their door to a social worker. So maybe its better to call children services than the Section 8 hotline.
([send private message](#))

08/07/08 - 11:39 AM

induhav says...

More section 8 advertising right here in this blog...how appropriate and timely...

induhav

([send private message](#))

08/07/08 - 11:41 AM

socanative says...

Induh: No Section 8 recipient is reading this...its way too early for them. They aren't even out of bed yet.
([send private message](#))

08/07/08 - 11:45 AM

induhav says...

Sherry is too quiet, and apparently not the same person we elected. "Under my thumb..."

induhav

([send private message](#))

08/07/08 - 11:48 AM

induhav says...

socanative: hahaha I have always wondered about ads that were obviously targeted at people that would not even see them let alone read and act on them. It is an e-thing... of course if you know where the right piece of cheese is at you can get computer and net access entitlements or pay for them with gray market money.

induhav

([send private message](#))

08/07/08 - 12:14 PM

avbornbred says...

The article at the top of the blog post is typical left wing media spin. The Housing Authority conducts numerous inspections like those, which yield all kind of violations. There are some people who play by the rules in regards to section 8 housing, however, there are to many that violate the rules and take advantage of the system.

Tighter restrictions need to be in place before someone is eligible to qualify for Section 8 Housing assistance. What I found interesting about the above article, was that this woman has been receiving Section 8 benefits since 1992.

Sixteen years of assistance. What makes her so special to receive that assistance for so long. If she is handicapped, I can agree with it, but this woman sounded like she was OK, and she had a son.

That opens another question, where is the father, and why is he not being forced to raise his child with some financial assistance. Dad is probably in jail, or mom does not know who the dad is. Anyways, it sounds like hard working Americans are having to flip the bill for a bunch of yahoos who have grown used to milking the government, that is you and me, for free housing a food. Must be nice!!!

We need to take one of our 50 states, and create a welfare state, and I am not talking about California, although we already are a welfare state. Take Oregon or Mississippi, let all of the dope addicts, welfare cases, and homeless go there. Let the Liberal Democrats run those states. That way, the rest of the US can prosper without having to take care of everyone else.

([send private message](#))

08/07/08 - 12:32 PM

138hwy says...

av..

Sounds like a good idea!

Maybe put them all in Tennessee where john edwards lives. Then on one would give a shit about edwards or the illegitimate baby he had while his fat wife was battling cancer.

([send private message](#))

08/07/08 - 12:33 PM

socanative says...

A blurb from today's LA Times:

Speculators like Gary, 38, and David Hoffman, 40, also are rethinking their real estate exit strategies. The brothers, both plumbers, built seven 2,280-square-foot, four-bedroom, 2 1/2 -bathroom custom homes in Littlerock, outside of Palmdale, between 2005 and 2007. They sold four for about \$500,000 each.

But with low offers from buyers looking for a deal in the soft market, Gary hopes to rent out the remaining three for about \$1,500 a month and ride out the downturn.

"People can't get financed now," he said. "So it might cost us to rent them now, but it's worth it to take that loss and make money later down the road."

Anyone feel bad for these guys? Probably not. Wouldn't doubt that they are seeking their Section 8 options.

([send private message](#))

Section 8

Free Search of Discount Homes Nationwide.

Free Search and Save!

Vivrdable Housing

Post a comment:

Would you like to comment on this blog post? [Login](#) to talk back!

Antelope Valley Press — Thursday, August 14, 2008

Supervisor praises Section 8 crackdown

Valley Press

LANCASTER — Supervisor Michael D. Antonovich this week praised efforts of Lancaster and Palmdale in joining with Los Angeles County authorities to crack down on the defrauding of the federal Section 8 housing subsidy program.

Antonovich, whose sprawling 5th District includes much of the Antelope Valley, praised the joint efforts of city and county leaders to achieve focus on the project. He recommended anyone suspecting fraud with the program to call the Section 8 Hotline at (877) 881-7233.

The housing subsidy is intended to help people who are disabled or temporarily down on their luck to obtain housing, with one-third of their personal income contributed for rent and the federal government picking up the rest of the tab.

"Unfortunately, there are those who take advantage of the taxpayer," Antonovich said, noting

the case of a recent Section 8 violator who was also claiming \$150,000 a year to provide medical assistance for himself and to provide for the well-being of a person who was dead. Antonovich spoke Wednesday to business leaders attending the monthly Antelope Valley Chambers of Commerce meeting gathered at the John P. Eliopoulos Hellenic Center.

"We will continue to work with Palmdale, Lancaster and the surrounding incorporated communities" in rooting out Section 8 abuse and fraud, Antonovich said.

The county supervisor said about 3,500 people in the Antelope Valley communities of Los Angeles County are receiving Section 8 housing assistance funds. Since a crackdown on rampant violations that have been attributed to contributing to area crime, Antonovich said 608 investigations have been initiated, with 279 violations established and 147 of the suspected Section 8 violators listed for termination of their eligibility.

NAHRO Monitor: August 15, 2008

PRESIDENT'S MESSAGE

Dreams and Action

Proposed Public Housing Streamlining Rule Published

On Aug. 5, HUD published its long-anticipated proposed rule for streamlining regulations governing the public housing program. The rule would amend regulations in three areas: Public Housing Agency Plans (24 CFR part 903), Public Housing Development (24 CFR part 941), and Public Housing Lease and Grievance procedures (24 CFR part 966). It would eliminate entirely the regulations currently codified at 24 CFR part 945 relating to designated housing for elderly and/or disabled families.

The proposed rule eliminates certain obsolete or redundant material and material that more suitably could be published in guidance, and would make substantive changes as follows:

Agency Plans: The rule would eliminate the procedural requirements relating to poverty deconcentration, although not the requirement that information concerning the PHA's deconcentration policy be provided in the plan. The procedural requirements presently include language pertaining to steps for implementation of deconcentration and elements of explanations or justifications, leaving PHAs more discretion. Fair housing requirements are also revised and relocated. Language would be added requiring plans to include material relating to domestic violence, dating violence, sexual assault or stalking as required in the Violence Against Women Reauthorization Act of 2005. Present language relating to submission of streamlined plans would be removed and the process would be limited for all PHAs to policies concerning elements within HUD's scope of review. Finally, requirements relating to resident advisory boards would be revised to limit the requirements to those contained in statute.

Public Housing Development: The Part 941 regulations pertaining to public housing development would be changed in only one respect: to allow a PHA partner or owner entity to serve as general contractor for a mixed-finance development if the PHA conducts a bid process and the identity of interest contractor is the low bidder or its selection is justified as provided in the rule.

Lease and Grievance Requirements: Procedures for informal resolution of grievances without a hearing and those setting forth procedures for requesting a hearing would be eliminated [intended to allow PHAs more discretion]. Certain other matters relating to the administration of the grievance process, such as requirements relating to transcripts and copies, would be removed.

Designated Housing: Part 945 of the regulations would be removed in their entirety because they are obsolete and do not implement the requirement of the Housing Opportunity Program Extension Act of 1996, which contains the presently applicable requirements.

Comments on the proposed rule must be filed on or before Oct. 6, 2008.

Senate Support for Additional Public Housing Funding Grows

Twenty-eight Senators have signed on to a letter requesting additional funding for the public housing capital and operating funds. Shortly before leaving for the Congressional August recess, Senators Schumer (D-N.Y.) and Snowe (R-Maine) released a "Dear Colleague" letter

(www.nahro.org/programsandpolicies/ph/Senate_Supp_PH_Letter.pdf) asking their fellow senators to join them in asking top appropriators for an additional \$500 million for the Capital Fund and an additional \$500 million for the Operating Fund to be provided in a supplemental appropriation bill that Congress is expected to take up when they return in September. Dear Colleague letters are used by members of Congress to gather signatures to demonstrate broad-based support for their priorities.

Several other Senators who did not officially sign on to this letter for various reasons have expressed support elsewhere for additional public housing funding. It is unclear whether the supplemental spending bill, which is also expected to serve as a second economic stimulus for domestic priorities, will be acted upon by both houses and signed by the President before the November election. Nevertheless, the impressive support evidenced in the number of members who signed on to this letter will be important in any debate over HUD appropriations this fall, whether it occurs in the context of a supplemental, final FY 2009 bills, or continuing resolutions (CRs).

The letter should be considered a victory for NAHRO members who advocated for Senate signatures in support of this important priority. The letter also closely mirrors NAHRO Executive Director Saul Ramirez's July 17 letter to appropriations leaders, which called for funding equal to that requested by Senators Schumer and Snowe. NAHRO worked closely and on a bi-partisan basis with the staff of Senators Schumer and Snowe and with other Senate supporters to provide information concerning the importance of these additional funds. The current 82 percent pro-ration for the operating fund and years of underfunding of the capital fund were compelling points for many Senate offices. The impact of these shortfalls is compounded by the likelihood of a CR maintaining current FY 2008 funding levels for several months into the new fiscal year. The fact that these additional funds will help to create local jobs and help stimulate local commerce were also important factors and an essential part of NAHRO's advocacy.

President Bush signed H.R. 3221, the Housing and Economic Recovery Act of 2008, into law on July 30.

The measure incorporates several stand-alone measures reflecting major NAHRO legislative priorities, including a permanent Government Sponsored Enterprise (GSE)-financed affordable housing production program and special Community Development Block Grant (CDBG) funding to support state and local efforts to stabilize neighborhoods with high numbers of vacant and foreclosed homes. In a statement released to the press, NAHRO President Renée Rooker called H.R. 3221 "perhaps the most significant piece of housing legislation in years," and said that NAHRO is pleased that "Congress and the President have decided to take action to assist families and communities hurt by the foreclosure crisis, to address the nation's economy, and to bring housing issues into the forefront where they belong."

The following elements of H.R. 3221 reflect existing NAHRO policy positions and represent victories for NAHRO's members:

- A permanent GSE-financed affordable housing fund that would, beginning in 2010, provide states with formula-based allocations to support the production, rehabilitation, and preservation of affordable housing. The creation of a new affordable housing production program is a longstanding NAHRO priority. The legislation also creates a Capital Magnet Fund to support economic development programs that complement the production of new affordable units.
- \$3.9 billion in special CDBG funding to support state and local efforts to purchase, rehabilitate, and resell or rent foreclosed and vacant homes. HUD will have until Sept. 28 to devise the formula for distributing this funding, and then an additional 30 days to distribute allocations to states and local governments.
- A provision, previously a stand-alone measure known as the Public Housing Disaster Relief Act of 2008, intended to undercut FEMA's justification for denying local housing agencies access to Stafford Act funding for the permanent repair and reconstruction of public housing units damaged or destroyed during natural disasters and other emergencies. This provision is the culmination of a three-year NAHRO campaign to raise awareness around an outdated HUD-FEMA Memorandum of Understanding that prevented local housing agencies from accessing needed resources following the 2005 hurricane season.
- Major reforms to the Low Income Housing Tax Credit program, many of which were previously endorsed by NAHRO.
- \$11 billion in new Mortgage Revenue Bond authority and the ability to use these tax-exempt bonds to refinance subprime loans, mortgages for first-time homebuyers, and multifamily rental housing.
- A provision, previously a stand-alone bill known as the Small Public Housing Authorities Paperwork Reduction Act, waiving the PHA plan

requirement for non-troubled agencies with 550 or fewer combined public housing and Section 8 voucher units. Editor's Note: NAHRO's earlier reporting incorrectly stated a combined threshold of 500 units. We regret the error.

- A provision changing the tax code to add the Federal Home Loan Banks to the list of GSEs that are able to credit enhance tax-exempt municipal, industrial development and other private activity bonds.
- Several provisions designed to facilitate the use of project-based vouchers in LIHTC projects.
- Provisions supported by NAHRO making it easier for certain national and state banks to make community development investments in areas designated for redevelopment by state and local governments, as well as in areas affected by natural disasters.

NAHRO has posted a complete summary of the new GSE affordable housing programs, as well as the full details of the \$3.9 billion in emergency CDBG funding provided by H.R. 3221 for neighborhood stabilization, at www.nahro.org/members/news/index.cfm. Contact jfalcusan@nahro.org with questions.

Future of Public Housing Website Goes Live

As the Monitor has reported previously, a retreat on the future of public housing was held on June 9 and 10 at a retreat in rural Virginia. Sponsored by the Housing Authority Insurance group, the retreat brought together approximately three dozen stakeholders to discuss the mission and future of public housing. Three workgroups that came out of the retreat have met biweekly by phone throughout the summer to discuss new investment partners, institutional change, and new partners. The work of these groups will culminate in a public housing summit scheduled for late September.

A website has been created with general information about the process and participants. The site also contains notes from the calls, briefs, and various proposals that have been contributed for discussion. To access the site, go to www.thefutureofpublichousing.org. The username is summit; the password is housing.

City lauds efforts of LAN-CAP

By DAISY RATZLAFF
Valley Press Staff Writer

LANCASTER — Sheriff's Station deputies of the Lancaster Community Appreciation Project made more than 1,307 observation arrests, conducted 61 search warrants, and seized 88 firearms and more than 75 pounds of illegal narcotics during the last 12 months, authorities said.

The 12-month period was focused on making observation arrests and searching premises associated with illegal narcotics sales, gun possessions and property-related crimes, Sheriff's Station Capt. Axel Anderson said.

"The team has been incredibly effective, making an average of over 3.5 arrests per day in the year," Anderson said. "This is an example of top-notch police work by these deputies, and it couldn't have happened without the support of the city and the District Attorney's Office."

The LAN-CAP team was created through a partnership among the city, the Lancaster Sheriff's Station and the District Attorney's Office by Deputy District Attorney David Berger in March 2004.

Consisting of a nine-man team dedicated to working with property managers and landlords, the team targets crime in and around city rental properties, which law enforcement and city officials said are hit the hardest by gang activity, violent crimes and property crime.

Saying that the team has worked very hard during the years since its initiation, Anderson is certain the team will continue its success.

In addition to focusing on law enforcement, the team also aims to improve the quality of life within Lancaster.

Deputies of the LAN-CAP team provide courses for rental operators to train them on how to maintain crime-free rental properties.

Within those classes, property managers and owners are schooled on the effective use of law enforcement, the warning signs of narcotics use and gangs, how to work with Section 8 housing, tenant selection and screening processes, and the laws on how to attract and keep good tenants, according to cityoflanasterca.org.

Mayor R. Rex Parris was proud of the significant impact the team has made on creating and maintaining a safe city.

"These numbers demonstrate that our efforts in public safety are making a difference in this community," Parris said. "Through the continued cooperation between the Sheriff's Station,

the city and other local agencies, we will make this city even safer for our citizens."

Parris also said the team is sending a message of protection and warning criminals to stay out of Lancaster.

"The city of Lancaster continues to diversify its attack on criminals, expanding our efforts to eradicate crime, protect our citizens and broadcast an important message to criminals: Get out now or get ready for a stay in prison," Parris said.

dratzlaff@avpress.com

“The city of Lancaster continues to ... broadcast an important message to criminals: Get out now or get ready for a stay in prison.”

— R. Rex Parris, Lancaster mayor

NAHRO Writes HUD Regarding 2008 Relocation/Replacement Vouchers

HUD's PIH Notice 2008-15 covers implementation of the "Consolidated Appropriations Act, 2008" (P.L. 110-161) for the Section 8 Housing Choice Voucher Program. The brief summary in item five on page six of the notice states only replacement vouchers, whereas the Public Law 104-134 covers vouchers for both relocation and replacement. To gain clarification of PHAs' rights, NAHRO wrote to HUD about existing law requiring HUD to provide PHAs with relocation vouchers or, at the option of the PHA, replacement housing instead. A fully copy of NAHRO's letter is available at www.nahro.org/members/news/2008/pl110_161.pdf

Senate Support for Additional Public Housing Funding Grows

Twenty-eight Senators have signed on to a letter requesting additional funding for the public housing capital and operating funds. Shortly before leaving for the Congressional August recess, Senators Schumer (D-N.Y.) and Snowe (R-Maine) released a "Dear Colleague" letter (www.nahro.org/programsandpolicies/ph/Senate_Supp_PH_Letter.pdf) asking their fellow senators to join them in asking top appropriators for an additional \$500 million for the Capital Fund and an additional \$500 million for the Operating Fund to be provided in a supplemental appropriation bill that Congress is expected to take up when they return in September. Dear Colleague letters are used by members of Congress to gather signatures to demonstrate broad-based support for their priorities.

Several other Senators who did not officially sign on to this letter for various reasons have expressed support elsewhere for additional public housing funding. It is unclear whether the supplemental spending bill, which is also expected to serve as a second economic stimulus for domestic priorities, will be acted upon by both houses and signed by the President before the November election. Nevertheless, the impressive support evidenced in the number of members who signed on to this letter will be important in any debate over HUD appropriations this fall, whether it occurs in the context of a supplemental, final FY 2009 bills, or continuing resolutions (CRs).

The letter should be considered a victory for NAHRO members who advocated for Senate signatures in support of this important priority. The letter also closely mirrors NAHRO Executive Director Saul

Ramirez's July 17 letter to appropriations leaders, which called for funding equal to that requested by Senators Schumer and Snowe. NAHRO worked closely and on a bi-partisan basis with the staff of Senators Schumer and Snowe and with other Senate supporters to provide information concerning the importance of these additional funds. The current 82 percent pro-ration for the operating fund and years of underfunding of the capital fund were compelling points for many Senate offices. The impact of these shortfalls is compounded by the likelihood of a CR maintaining current FY 2008 funding levels for several months into the new fiscal year. The fact that these additional funds will help to create local jobs and help stimulate local commerce were also important factors and an essential part of NAHRO's advocacy.

Throughout the fall, NAHRO will continue its advocacy for these funds and for inclusion of these critically important funding priorities in the supplemental spending bill now under consideration. NAHRO staff will continue to meet with House and Senate staff during the month of August. August also presents a good opportunity for NAHRO members to meet with legislators and staff who have returned home to their states and districts for the recess. We urge you to make contact with your legislators and their staff and ask that NAHRO's call for additional funding be acted upon next month. To help you make the case for these funds and to help advocate for other legislative priorities of the association, NAHRO has created a website at www.nahro.org/members/pubs/august.cfm, where you will find a variety of August Advocacy tools. Members with questions are urged to contact NAHRO Congressional Relations staff.

HOUSING AUTHORITY COUNTY OF LOS ANGELES - CONVENTIONAL AND NON-CONVENTIONAL HOUSING

GROUP NO.	SITE	HUD DEV. NO.	PROJECT NUMBER	ADDRESS	Date Built and/or Acquired	NO. OF UNITS
1	Carmelitos (family)	CA16P002001	SS1102	700 Via Wanda, Long Beach 90805	1938/1986	558
1	Carmelitos (senior)	CA16P002026	SS1102	761 Via Carmelitos, Long Beach 90805	1938/1986	155
	Total Unit Count: Carmelitos					713
2	Harbor Hills (family/senior)	CA16P002002	SS1203	26607 S. Western Ave., Lomita 90717	1941	301
	Total Unit Count: Harbor Hills					301
3	Nueva Maravilla (family/senior)	CA16P002004	SS1301	4919 E. Cesar E. Chavez Ave., Los Angeles 90022	1972	504
	Total Unit Count: N. Maravilla					504
4	West Knoll (senior)	CA16P002014	SS3001	838 West Knoll Ave., West Hollywood 90069	1977	136
4	Palm Apartments (senior)	CA16P002014	SS3002	959 Palm Ave., West Hollywood 90069	1978	127
	Total Unit Count: West County 1		Admin Project XX0930			263
5	Marina Manor I (senior)	CA16P002013	SS3003	3401 Via Dolce, Marina Del Rey 90292	1983	112
5	Marina Manor II (senior)	CA16P002027	SS3003	3405 Via Dolce, Marina Del Rey 90292	1983	71
5	Ocean Park (family/senior)	CA16P002018	SS3006	175 Ocean Park Boulevard, Santa Monica 90405	1947	22
5	Monica Manor (family)	CA16P002097	SS3007	1901-1909 11th Street, Santa Monica 90405	1987	19
	Total Unit Count: West County 2		Admin Project XX0935			224
6	Orchard Arms (senior)	CA16P002030	SS2001	23410-23540 Wiley Canyon Rd., Valencia 91355	1980	183
6	Foothill Villa (senior)	CA16P002029	SS2002	2423 Foothill Boulevard, La Crescenta 91214	1981	62
6	Quartz Hill I (family)	CA16P002062	SS2003	5028 West Avenue L-12, Quartz Hill 93536	1984	20
6	Quartz Hill II (family)	CA16P002069	SS2003	42051 51th Street West, Quartz Hill 93536	1984	20
	Total Unit Count: North County		Admin Project XX0920			285
7	Francisquito Villa (family)	CA16P002015	SS4002	14622 Francisquito Ave., La Puente 91746	1979	89
7	Carmelita Avenue (senior)	CA16P002091	SS4003	354-354 So. Carmelita Ave., Los Angeles, 90063	1975	2
7	McBride Avenue (family)	CA16P002021	SS4004	1229 So. McBride Ave., Los Angeles, 90023	1968	4
7	Williamson Avenue (family)	CA16P002020	SS4005	706-708 1/2 So. Williamson Ave., Los Angeles, 90022	1972	4
7	Triggs Street (family/senior)	CA16P002097	SS4006	4432-4434 1/2 Triggs St., Los Angeles 90023	1964	4
7	Simmons Avenue (family)	CA16P002021	SS4007	927 So. Simmons Ave., Los Angeles, 90022	1939	4
7	4th & Mednick (family)	CA16P002034	SS4009	341 So. Mednick Ave., Los Angeles, 90022	1985	2
7	Arizona & Olympic (family)	CA16P002048	SS4010	1003-1135 So. Arizona Ave., Los Angeles 90022	1984	18
7	Whittier Manor (senior)	CA16P002033	SS4011	11527 Slauson Ave., Whittier 90606	1986	49
7	Herbert Ave (senior)	CA16P002058	SS4012	133 Herbert Ave., Los Angeles 90063	1985	46
7	Sundance Vista (family)	CA16P002156	SS4014	10850 Laurel Ave., Whittier 90605	1999	41
	Total Unit Count: East County		Admin Project XX0940			263
8	El Segundo I (family)	CA16P002023	SS5001	1928/37/49 E. El Segundo Blvd., Compton 90222	1972	30
8	South Bay Gardens (seniors)	CA16P002032	SS5002	230 E. 130th St., Los Angeles 90061	1981	100
8	1115-16 W. 90th St. (family)	CA16P002091	SS5005	1115-16 W. 90th St., Los Angeles 90044	1986	18
8	El Segundo II (2140) (family)	CA16P002052	SS5015	2140-2144 1/2 E. El Segundo Blvd., Compton 90222	1985	13
8	El Segundo II (2141) (family)	CA16P002061	SS5015	2141-2145 E. El Segundo Blvd., Compton 90222	1985	5
8	9104-18 S. Bandera St. (family)	CA16P002080	SS5016	9104-18 S. Bandera St., Los Angeles, 90002	1961	8
8	1535 E. 83rd Street (family)	CA16P002080	SS5017	1535 E. 83rd St., Los Angeles 90002	1985	2
8	1615-17 E. 87th Street (family)	CA16P002067	SS5018	1615-17 E. 87th St., Los Angeles 90002	1985	4
8	8739 Beach St. (88th & Beach) (family)	CA16P002056	SS5019	8739 Beach St., Los Angeles 90002	1985	4
8	4212-20 E. Addington Street (family)	CA16P002071	SS5020	4212-20 E. Addington St., Compton 90221	1984	3
8	W. Imperial (family)	CA16P002132	SS5026	1221 & 1309 E. Imperial Hwy., Los Angeles 90044	1992	9
8	Athens (family)	CA16P002127	SS5027	1120 W. 107th St., 1310 W. 110th St., & 11104 S. Normandie Ave., Los Angeles 90044	1996	10
8	1527 E. 84th (family)	CA16P002107	SS5029	1527 E. 84th St., Los Angeles 90001	1998	4
8	Jarvis Avenue (family)	CA16P002107	SS5030	12920 Jarvis Ave., Los Angeles 90061	1997	1
8	Woodcrest I (family)	CA16P002066	SS5003	1239 W. 109th St., Los Angeles 90044	1983	10
8	Woodcrest II (family)	CA16P002090	SS5003	1245 W. 109th St., Los Angeles 90044	1983	10
8	1101-09 W. 91st (family)	CA16P002021	SS5006	1101-09 W. 91st St., Los Angeles 90044	1965	16
8	1232-34 E. 119th (family)	CA16P002021	SS5007	1232-34 E. 119th St., Los Angeles 90059	1955	2
8	1231-33 E. 61st (family)	CA16P002021	SS5008	1231-33 E. 61st St., Los Angeles 90001	1961	6
8	1100 W. 106th Street (family)	CA16P002021	SS5009	1100 W. 106th St., Los Angeles 90044	1970	10
8	1104 W. 106th Street (family)	CA16P002020	SS5009	1104 W. 106th St., Los Angeles 90044	1970	10
8	1320 W. 107th (family)	CA16P002021	SS5010	1320 W. 107th St., Los Angeles 90044	1970	18
8	11431-463 S. Normandie (family)	CA16P002020	SS5011	11431-463 S. Normandie Ave., Los Angeles 90047	1970	28
8	1027-33 W. 90th (family)	CA16P002078	SS5014	1027-33 W. 90th St., Los Angeles 90044	1986	6
8	W. 106th Street & Budlong (family)	CA16P002079	SS5021	1334-38 W. 106th St. 9410 & 11126 Budlong Ave., Los Angeles 90044	1984	11
8	W. 94th & 95th Street (family)	CA16P002060	SS5022	1035-37 1/2 W. 94th St. & 1324 W. 95th St., Los Angeles 90044	1985	8
8	W. 105th & 106th (family)	CA16P002124	SS5024	1336-40 W. 105th St. & 1057 W. 106th St., Los Angeles 90044	1991	13
8	Century Wilton (family)	CA16P002020	SS5025	10025 Wilton Place, Los Angeles 90047	1965	40
8	11248 S. Budlong (family)	CA16P002138	SS5028	11248 S. Budlong, Los Angeles 90044	1996	6
8	111th & Firmona	Pending	SS5031	11117 & 11119 Firmona Ave., Lennox 90304	2008	2
8	Lindsey	Pending	SS5032	4621 & 4625 Linsley St., Compton 90221	2008	2
	Total Unit Count: South County		Admin Project XX0950			409

Total Housing Authority-Owned - Conventional				2,962
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City of Lomita - Conventional	Lomita Manor (senior)	SS1204	24925 Walnut St., Lomita 90717		78
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Non-Conventional Housing

	Kings Road JPA (senior)		UU0001	800-801 N. Kings Road., West Hollywood 90069	1980	106
	Lancaster Homes (senior)		UU0002	711-737 W. Jackman St., Lancaster 93534	1978	120
	Santa Monica RHCP (family)		SS3005	1855 9th St., 1450 14th St., & 2006 20th St., Santa Monica 90404	1983	41
	Villa Nueva RHCP (family)		SS4013	958-676 S. Ferris Ave., Los Angeles 90022	1985	21
	Willowbrook (family)		SS6001	11718-11740 Willowbrook Ave., Los Angeles 90044	1975	8
	Ujima Village (family/senior)		SS8001	941 E. 126th St., Los Angeles 90059	1971	300
	Total Number of Units- Non Conventional					596

Total Number of Units- HM				3,636
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Housing Authority - County of Los Angeles

FOR YOUR INFORMATION ONLY

August 18, 2008

TO: Each Supervisor

FROM: William Huang, Acting Executive Director



SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007 your Board instructed the Housing Authority to report monthly on the progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). On June 17, 2008 your Board directed the Housing Authority to report on progress made in obtaining HUD VASH (Veterans Affairs Supportive Housing Program) vouchers.

This report covers activities for the period between July 15, 2008 and August 12, 2008, and provides information on the following:

- Lease-up
- Annual Re-Examinations
- Inspections
- Corrective Action Plan
- The HUD OIG Audit Report
- HUD OIG Audit on Financial Systems
- The Confirmatory Review for FY 2006-2007
- YARDI System Update
- Los Angeles Housing Resource Center
- Call Center
- HUD - VASH Vouchers

Lease-up, Annual Re-examinations and Inspections –

Our voucher allocation has increased to 20,876, an increase of 129 vouchers for HACoLA. As of July 31, 2008, our lease-up rate is 96.3%, representing a total of 20,106 assisted families throughout the County. We are maintaining a 2% delinquency rate for our inspections, and are at a 1% delinquency rate for our annual re-examinations.

HACoLA's data is pulled from HUD's data reporting system, the Public and Indian Housing Information Center (PIC), which is used to obtain SEMAP performance status.

Corrective Action Plan –

To date, one member of the Housing Advisory Board is pending completion of the training as required by the Corrective Action Plan (CAP). As I previously reported, HUD has closed all other items of the CAP.

HUD OIG Audit on Tenant Eligibility and Annual Reexaminations–

HUD staff will be at HACoLA the week of September 8, 2008 to conduct a confirmatory review of our responses to the initial audit. I will provide a status report when their formal response is submitted.

HUD OIG Financial Audit

The on-site audit is still in progress. I will report to your Board if and when any recommendations are made.

HUD's On-Site Confirmatory Review for FY 2007 –

The follow-up to the on-site confirmatory review for FY 2007 took place the week of July 28, 2008. The results of the review are pending and will be provided to your Board upon receipt.

As previously reported, we anticipate a reduction of SEMAP points for specific indicators, which may result in a Troubled status rating. However, we have completed FY 2008 and believe our SEMAP score has improved enough to achieve a Standard rating. The on-site confirmatory review for FY 2008 has not been scheduled.

YARDI Status-

The YARDI system has been in place since July 1, 2008; HAP payments have been released using the new system.

The independent review of YARDI is still in progress, but is expected to be completed by the end of September 2008.

Los Angeles Housing Resource Center (formerly Socialserve.com)-

For a 28-day period between July 17 and August 14, 2008, the Los Angeles Housing Resource Center averaged 5,614 total listings (a 5% increase over last month), 3,772 participating landlords (a 4% increase over last month), and 148,173 housing searches (a 15% increase over last month).

Call Center –

Our Call Center received an average of 4017 calls per week, with an actual total of 16,067 calls for the period between July 14, 2008 and August 11, 2008.

Although there was a slight decrease in the total number of calls versus July 2008, there was an increase in the average hold time. This was primarily due to an increased lease-up effort resulting in longer calls (i.e., constituents asking more in-depth questions).

HUD-VASH Vouchers –

We are continuing to work with the City of Long Beach and the Housing Authority of the City of Los Angeles (HACLA), who received 70 and 840 vouchers, respectively.

The following activities update the previous report(s):

1. HD&P Special Needs Unit Staff spoke with HACLA staff about the possibility of collaborating with The County Department of Military Veterans Affairs (DMVA) as a way to increase the utilization of the VASH Vouchers in the County;
2. HD&P Special Needs Housing Unit staff has scheduled a meeting with HACLA and DMVA for Wednesday, September 3rd at 10 a.m. at the Community Development Commission;
3. HACLA will invite the VASH voucher representative from the Dept. of Veterans Affairs to the meeting to facilitate the following:
 - a. Introduction of the DMVA so that they can be a point of contact and referral source for this program;
 - b. Establishment of a method for HACLA to facilitate the referral process between the VA and HACLA.

Please contact me should you have any questions or need additional information.

C: Lari Sheehan, Chief Deputy Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy

FOR YOUR INFORMATION ONLY

August 27, 2008

Quarterly Contract Status Report

Project Filter **Program:** All Programs
District: All Distr. **Department:** Construction Management
Dev. Stage: Active

Proj. Manager: All Managers
Team Member: All Team Members
Fund Source: All funds

District	Project Name	Contractor Name	Original		Current		% Cng	Approved		%Cmpl	Pending Action / Forecast
			Contract	Amount	Contract	Amount		Payments			
1st	CPTED Fencing & Gate Improvements <u>Tracker #:</u> TP002414	Bobco Metals	\$366,248		\$366,248		0%	\$219,379		60%	Contractor has only three more sites to complete project. At 106th Street, we have to work something out with the general contractor who is currently working on the building rehab (CAS) to allow Bobco to install the fencing. The other two sites will be completed this week.
Construction Completion: August 2008.											
1st	Herbert Fire Alarms (FY 05-06 thru 06-07) <u>Tracker #:</u> TP002010	Jam Corporation	\$66,900		\$66,900		0%	\$23,668		35%	8/1 CMD and HM staff met with the Contractor on July 30th. Contractor is on schedule. They will start construction on the 2nd floor the week of 8/4. The next construction progress meeting is set for 8/13. Contractor will submit progress payment #2 for approval. HM is working with CS to provide two phone lines for the fire alarm system.
Construction continues to work on the 2nd floor. CMD and HM will conduct inspection for the first floor on 8/13. System will be tied to elevators in Nov. 2008											
Construction complete: November 2008											
1st	Linsley-Firmona Rehab (Replacement Housing Funds) <u>Tracker #:</u> TP001780	C. A. S. General Contractor	\$223,610		\$248,611		11%	\$156,073		63%	Change order no. 3 issued with the time extension. Progress payment no. 3 sent to contractor. Contractor has submitted landscape & irrigation plans.
Construction completion: September 2008.											
1 st /5th	Foothill, Herbert Flooring <u>Tracker #:</u> TP002633	Continental Flooring Company	\$1,140,200		\$1,140,200		0%	\$0.00		0%	The flooring type being reviewed at the bottom landings at Whittier Manor Stairs due to concerns of ground moisture coming up through concrete slab and causing delamination.
Construction Start: September 2008. Construction completion 2008											

August 27, 2008

District Project Name	Contractor Name	Original		Current		Status	
		Contract Amount	Contract Amount	% Cng Orders	Approved Payments	%Cmpl	Pending Action / Forecast
2nd 106th St. Fire Damage and Rehab Tracker #: TP002572	C. A. S. General Contractor	\$293,800	\$324,380	10%	\$144,204	44%	Construction began 7/07/08. Security issues have been conveyed to HMD. There is graffiti, ext. lighting broken, & trespassing on site. Change order request #1 for unforeseen fire damage to roof truss, beams, headers, add'l roof sheathing, support joist assoc. w/ double bearing walls. Change order request #2-add'l int. lighting, replace vandalized ext. lights, GFCIs, new mailboxes, replace house water valves, replace angle stops, carport roof repair, water blast graffiti'd walk-way concrete, wrought iron fence painting, new linen closet doors, 2 concrete pads. Construction started in July 2008. Construction completion: January 2009
2nd 1100-1104 106 th Street Drainage Tracker #: TP001933	Belair West Landscape Inc. Corrections	\$68,450	\$68,450	0%	\$0	0%	Contractor getting conflicting direction from DPW re: obtaining permit. Staff contacting plan checker to sort out. Construction start: August 2008. Construction completion: December 2008
2nd Southbay Gardens Elevator Project (230) Tracker #: TP002567	M.L. CONSTRUCTION	\$390,000	\$390,000	0%	\$113,990	29%	ML construction has finished waterproofing elevator pit. Delivery of controls August 18, 2008 Construction completion: November 2008
3rd Palms Apartments Elevators (959) Tracker #: TP002184	M.L. CONSTRUCTION	\$582,000	\$582,000	0%	\$190,356	33%	New installation of cylinder completed at Elevator No. 2. Contractor waterproofing walls and new concrete slab at elevator No. 1. Delivery of new controls: August 18, 2008. Construction completion: November 2008
3 rd West Knoll and Palm ADA Bathroom Replacement Tracker #: TP001933	AZ Home Inc.	\$286,875	\$313,090	9%	\$313,090	100%	Project Complete

Status

3 of 4

August 27, 2008

							<u>Status</u>	
District Project Name		Contract Name	Contract Amount	Contract Amount	% Cng Orders	Approved Payments	%Cmpl	Pending Action / Forecast
4th	Harbor Hills Kitchen Remodel	Gibraltar Construction Co.,Inc.	\$1,170,000	\$1,170,000	0%	\$0	0%	Housing Commission approved construction contract on 7/23/08 for phase 1. Board approved construction contract on 8/5/08.
<u>Tracker #:</u>		TP002376						
Construction start: September 2008 Construction completion: December, 2008.								



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

August 27, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE SETTLEMENT OF TORT LIABILITY AND CIVIL RIGHTS CASE OF
SHALON ENNIS AND ERICA LEWIS VS. THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES AND CARLOS JACKSON**

**CASE NO. BS 098 739
(ALL DISTRICTS)**

SUBJECT

This is a tort liability and civil rights lawsuit filed by Neighborhood Legal Services (NLS) on behalf of two Section 8 housing recipients, Shalon Ennis and Erica Lewis (Plaintiffs), seeking damages for the loss of their Section 8 vouchers, violation of their civil rights, emotional distress, and other general damages allegedly incurred on August 13, 2004 and October 7, 2004.

The case was mediated twice, first on August 1, 2007 and again on September 28, 2007, without settlement. The case was again negotiated toward settlement on May 5th and 6th, 2008. The proposed settlement is the result of the May 2008 negotiations.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that approval of a settlement in the above tort liability and civil rights case is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action is not defined as a project under CEQA.
2. Recommend that the Board of Commissioners approve a settlement in the amount of \$49,999.99 to Erica Lewis and \$15,000.00 to Shalon Ennis for Ennis and Lewis vs. the Housing Authority of the County of Los Angeles and Carlos Jackson and authorize the Acting Executive Director to execute a settlement agreement, following approval as to form by County Counsel.



PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve the settlement of this case against the Housing Authority of the County of Los Angeles (Housing Authority) and Carlos Jackson, former Executive Director of the Community Development Commission and the Housing Authority in the amount of \$64,999.99 in lieu of proceeding to litigation.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The financing of the proposed settlement agreement will be paid from the Housing Authority's general funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Both Shalon Ennis and Erica Lewis were Section 8 housing recipients living in separate homes in Lancaster, California, in 2004. Plaintiffs claim their homes were investigated on August 13, 2004 and October 7, 2004 by Housing Authority investigators and the Los Angeles County Sheriff's Department.

During the visits, the Housing Authority investigators found illegal narcotics and/or unauthorized tenants living in the homes. This information was the basis for the Housing Authority investigators' recommendation to terminate the Section 8 benefits for both Ms. Ennis and Ms. Lewis. Informal hearings were conducted wherein the informal hearing officers upheld the recommendations for termination and removed both Ms. Ennis and Ms. Lewis from the Section 8 program.

Writs of Mandates to appeal the decisions of the informal hearing officers were heard by the Honorable Dzintra Janavs. The Court ordered that the Section 8 benefits of Ms. Lewis be reinstated, but found the decision by the informal hearing officer for Ms. Ennis to be appropriate. Ms. Lewis was re-issued a voucher to locate housing on January 19, 2007. Ms. Lewis located a unit and the Housing Authority began to pay Housing Assistance Payments for a new contract that became effective on April 2, 2007.

Subsequently, Ms. Ennis and Ms. Lewis filed the action that is the subject of this Board letter. The case was mediated twice; first on August 1, 2007 and again on September 28, 2007, without settlement. The case was again negotiated toward settlement on May 5th and 6th, 2008. The proposed settlement is the result of the May negotiations.

If the matter proceeds to trial, the Plaintiffs will seek estimated damages and fee recovery in the amount of \$2,740,000.00. The proposed settlement allows the Housing Authority to settle all claims in this case for \$64,999. The settlement proceeds will be allocated so that Ms. Ennis receives \$15,000.00 and Ms. Lewis receives \$49,999.99, with no policy changes to the Housing Authority's Section 8 program.

ENVIRONMENTAL DOCUMENTATION:

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. This action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES

This settlement will avoid further litigation expenses and conclude this lawsuit.

Respectfully submitted,


for WILLIAM K. HUANG
Acting Executive Director



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

August 27, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE VIDEO SURVEILLANCE SYSTEMS MONITORING AND MAINTENANCE
CONTRACT FOR HOUSING DEVELOPMENTS WITHIN LOS ANGELES COUNTY
(ALL DISTRICTS)**

SUBJECT

Approval of this Contract will provide for the monthly monitoring and maintenance of the Housing Authority's current video surveillance systems located throughout the County of Los Angeles (County) at 14 housing developments. The Contract will also allow the Housing Authority to replace old equipment as it becomes unreliable or inoperable and to install new equipment as needed at housing developments throughout the County as crime situations shift and require visual surveillance.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the ongoing monitoring and maintenance of video surveillance systems is exempt from the California Environmental Quality Act (CEQA) as described herein, because the activities will not have the potential for causing a significant effect on the enforcement.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director of the Housing Authority to execute a one-year Contract in the amount of \$56,565, to be effective upon Board approval, with West Beach Systems for the monitoring and maintenance of the Housing Authority's video surveillance equipment located throughout the County of Los Angeles at 14 housing developments that are owned or managed by the Housing Authority.

3. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute amendments to the one-year Contract, following approval as to form by County Counsel, to extend the time of performance for a maximum of two years, in one-year increments, at the cost of \$67,680 per year, using funds to be approved through the annual budget process.
4. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute amendments for any additional services up to \$85,000 over the term of the Contract, consisting of a \$10,000 U.S. Department of Justice Grant included in the Housing Authority's approved Fiscal Year 2008-2009 budget and \$75,000 in Conventional Public Housing Operating Funds allocated by HUD to cover any unanticipated equipment failures and additional equipment needed to maintain the safety of residents at housing developments throughout the County.
5. Recommend that the Board of Commissioners authorize the Acting Executive Director to incorporate up to \$75,000 in Conventional Public Housing Operating Funds into the Housing Authority's approved Fiscal Year 2008-2009 budget, for the purposes described above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to enter into a one-year Contract to provide for the monitoring and maintenance of video surveillance equipment currently located throughout the County at 14 housing developments owned, or managed by the Housing Authority. The Contract will also allow the Housing Authority to replace old equipment, upgrade current equipment, and install additional cameras and Digital Video Recorders as needed at housing developments throughout the County as crime situations shift and require visual surveillance. This contract will allow the Housing Authority to continue to provide a safe living environment for residents at the housing developments by identifying criminal offenders and evidence to the sheriff and police departments.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The aggregate amount for all three years of the Contract, if fully extended, will be \$191,925 plus an additional \$85,000 to cover miscellaneous equipment replacement and system upgrades and additions for a total aggregate amount not to exceed \$276,925.

For the first year of services under the Contract, the Housing Authority will use a maximum aggregate of \$56,565, consisting of \$3,420 in Operating Funds for 1450 14th Street in Santa Monica and \$53,145 in Conventional Public Housing Operating Funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2008-2009 budget.

After the first year, the Housing Authority may extend the Contract for an additional two years, in one-year increments, contingent upon availability of funds. If extended, compensation for the second and third years of the Contract will not exceed a maximum aggregate amount of \$67,680 for each year, using funds to be approved through the annual budget process.

The \$85,000 to cover miscellaneous equipment replacement and system upgrades and additions consists of a \$10,000 U.S. Department of Justice Grant included in the Housing Authority's approved Fiscal Year 2008-2009 budget and \$75,000 in Conventional Public Housing Operating Funds allocated by HUD for the term of the Contract

The cost of the first year of the Contract is less than that of the second and third year because the current surveillance systems at 6 of the 14 housing developments are still under warranty through January 2009. Therefore, there is a cost savings in the first year. For the second and third year, the Contract amount includes all costs associated with the ongoing maintenance and monitoring of video surveillance equipment, replacement of old equipment as it becomes unreliable or inoperable, upgrading of current equipment and installation of new surveillance equipment as needed at 14 housing developments.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The U.S. Department of Justice provided a grant to the Housing Authority in fiscal year 2004-2005 for the provision of video surveillance cameras and monitoring equipment for eight housing developments. Video surveillance cameras and monitoring equipment were installed at the following eight housing developments: Carmelitos, Harbor Hills, Nueva Maravilla, Palm Avenue, South Bay Gardens, Sundance Vista, Westknoll Apartments and West 107th Street Apartments.

Additionally, in response to reported criminal activity in April of 2006, a video surveillance and monitoring system was installed at the Orchard Arms housing development.

On March 26, 2007, the Housing Authority entered into a contract with West Beach Systems for the installation and warranted maintenance of additional video surveillance and monitoring equipment at the Harbor Hills housing development and five new housing developments. These housing developments were Marina Manor, Herbert Apartments, Lancaster Homes, 109th Street Apartments and 14th Street Apartments.

All 14 video surveillance and monitoring systems have been linked to DSL lines which allow designated Housing Authority staff to remotely access video footage in response to any incident. The Housing Authority's Community Policing teams have been issued laptops with broadband cards which allow them to remotely access the surveillance systems from their offices or patrol vehicles. The video surveillance and monitoring systems have aided in criminal investigations and enabled staff and law enforcement to verify lease violations or criminal activity.

These services are being federally funded and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County. Instead, West Beach will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Contract has been approved as to form by County Counsel and executed by West Beach Systems.

ENVIRONMENTAL DOCUMENTATION

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (a)(3)(ii), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the CEQA pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS

On March 19, 2008, the Housing Authority initiated an outreach to identify a contractor. Request for Proposal Notices were mailed to 123 contractors identified from the Housing Authority's vendor list. Advertisements also appeared in nine local newspapers and on the Housing Authority and County Websites. Fifty-eight proposal

Honorable Housing Commissioners
August 27, 2008
Page 5 of 5

packages were distributed. Twenty-six contractors participated at a pre-proposal meeting held on April 10, 2008.

On April 24, 2008, five proposals were received and formally opened. The proposal, submitted by West Beach Systems, was determined to be the lowest most responsive bidder and is being recommended for the Contract award.

The Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT SERVICES

The award of this Contract will allow the Housing Authority to continue providing a safe living environment for residents at the 14 housing developments located throughout the County. Should the contract not be approved the current equipment will deteriorate and become useless and the crime rate at the housing developments will escalate again.

Respectfully submitted,


for WILLIAM K. HUANG
Acting Executive Director

WKH:MB:dls

Attachments (3)

ATTACHMENT B

Contract Summary

Project Name: VIDEO SURVEILLANCE SYSTEMS MONITORING AND MAINTENANCE
Location: 14 HOUSING DEVELOPMENTS WITHIN LOS ANGELES COUNTY
Number: CDC08-392
Date: September 15, 2008
Consultant: West Beach Systems
Purpose: The Scope of Work includes the monitoring and maintenance of video surveillance equipment currently located throughout the County of Los Angeles at 14 housing developments owned, or managed by the Housing Authority. The Contract also allows the Housing Authority to replace old equipment, upgrade current equipment, and install additional cameras and Digital Video Recorders as needed at housing developments throughout the County.

Scope of Work: See Attached Scope of Work

Term: Upon execution, the Contract shall remain in full force for one year unless sooner terminated or extended in writing.

Option to Renew: The Housing Authority has the option to renew the Contract for two (2) additional one year terms, unless sooner terminated or extended in writing.

Performance Review: A performance review shall be conducted no later than 90 days prior to the end of the Contract. Based on the assessment of the performance review, written notification will be given to the Contractor whether the agreement will be terminated at the end of the current year or will be continued into the next contract year.

Compensation: The Contractor shall be paid as full compensation for the work required, performed, and accepted, exclusive of all costs and expenses which will be deducted from the contract contingency amount, the maximum, not-to-exceed price of \$56,565 for the first year and \$67,680 for years two and three if fully extended.

Contract Contingency: \$85,000.00

ATTACHMENT A

Summary of Outreach Activities

Video Surveillance Systems Monitoring and Maintenance Services Contract at Fourteen Housing Developments

On March 19, 2008, the following outreach was initiated to identify a contractor to provide, monitoring and maintenance service for video surveillance systems at 14 Housing Authority housing developments located in Los Angeles County.

A. Newspaper Advertising

Announcements appeared in the following nine local newspapers:

La Opinion	Los Angeles Sentinel
Eastern Group Publications	Los Angeles Times
International Daily News	The Daily News
Long Beach Press Telegram	Agua Dulce News
WAVE Community Newspapers	

An announcement was also posted on the Housing Authority's and the County's web sites.

B. Distribution of Bid Packets

The Housing Authority's vendor list was used to mail out Requests for Proposals to 123 contractors, of which 79 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, 58 proposal packages were distributed.

C. Pre-Bid Conference and Site Walk

On April 10, 2008, a pre-proposal conference and site walk was conducted. Twenty-six firms were in attendance.

D. Bid Results

On April 24, 2008, a total of five proposals were received and then evaluated. One of the proposals did not meet the minimum proposal criteria and was therefore disallowed. Another of the proposals was withdrawn by the submitting company. The remaining three responsive proposals were evaluated. The evaluation scores are as follows:

<u>Company</u>	<u>Total Points</u>
Revelations Integrated Services	514
Electric and Digital Services, Inc.	660
West Beach Systems, Inc.	762

E. Minority/Female Participation –Contractor and Subcontractor

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
West Beach Systems, Inc.	Non-Minority	Total: 8 3 minorities 1 women 38% minorities 13% women

F. Minority/Female Participation – Firms Not Selected

Electric & Digital Services Inc.	Minority	Total: 1 0 minorities 1 women 0% minorities 100% women
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<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Revelations Integrated Services Inc.	Non-Minority	Total: 4 1 minorities 0 women 25% minorities 0% women

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of the contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

ATTACHMENT B

Contract Summary

Project Name: VIDEO SURVEILLANCE SYSTEMS MONITORING AND MAINTENANCE
Location: 14 HOUSING DEVELOPMENTS WITHIN LOS ANGELES COUNTY
Number: CDC08-392
Date: March 26, 2008
Consultant: West Beach Systems
Purpose: The Scope of Work includes the monitoring and maintenance of video surveillance equipment currently located throughout the County of Los Angeles at 14 housing developments owned, or managed by the Housing Authority. The Contract also allows the Housing Authority to replace old equipment, upgrade current equipment, and install additional cameras and Digital Video Recorders as needed at housing developments throughout the County.

Scope of Work: See Attached Scope of Work

Term: Upon execution, the Contract shall remain in full force for one year unless sooner terminated or extended in writing.

Option to Renew: The Housing Authority has the option to renew the Contract for two (2) additional one year terms, unless sooner terminated or extended in writing.

Performance Review: A performance review shall be conducted no later than 90 days prior to the end of the Contract. Based on the assessment of the performance review, written notification will be given to the Contractor whether the agreement will be terminated at the end of the current year or will be continued into the next contract year.

Compensation: The Contractor shall be paid as full compensation for the work required, performed, and accepted, exclusive of all costs and expenses which will be deducted from the contract contingency amount, the maximum, not-to-exceed price of \$56,565 for the first year and \$67,680 for years two and three if fully extended.

Contract Contingency: \$85,000.00

ATTACHMENT C

STATEMENT OF WORK

1.0 SCOPE OF WORK

GENERAL BACKGROUND

- 1.1 The Housing Authority of the County of Los Angeles (Housing Authority) is the County's affordable housing and community development agency. The Housing Authority provides affordable housing opportunities through the federally funded Conventional Public Housing Program, Multifamily Housing Program, and other federal and state housing programs. The Housing Management Division, which is responsible for administering these various housing programs, has installed CCTV systems at the following nine (9) public housing sites throughout the County: The Contractor is required to assume service for an additional six (6) locations at the time the original two-year warranties expire.
- 1.2 The Housing Authority at its sole discretion may add/delete services as needed. The Statement of Work provides the specifications and requirements to provide the required services as described below:

2.0 GENERAL REQUIREMENTS

- 2.1 Contractor shall maintain his or the Company's California Contractor's C-10 Electrical License in good standing throughout the term of the Contract.
- 2.2 Contractor shall furnish all labor, material and equipment for the performance of said work and the manner of performing the work shall comply in all particulars with the Scope of Work.
- 2.3 The Contractor must provide daily (Monday through Friday), using the Contractor's DSL monitoring system, remotely monitor all cameras and Digital Video Recorders (DVR), listed on Attachment 1, to ensure all equipment is operational at the eight housing sites, listed on Attachment 2.
- 2.4 The Contractor must then e-mail the monitoring results to the Housing Authority by 10:00 A.M. Monday through Friday.

- 2.5 Contractor must respond within 24 hours (Monday-Friday) or within 48 hours (Saturday and Sunday) to the problem site if the monitoring identifies equipment that is not operational. Housing Authority staff may also notify the Contractor of malfunctioning equipment.
- 2.6 Contractor must pre-schedule any site visits with Housing Authority staff.
- 2.7 Service Technicians and Installers: Technicians and Installers must be trained and certified staff, directly employed and supervised by the Contractor. Technicians must be qualified to clean and adjust all equipment for proper and safe operating conditions. Installers must be qualified to properly install and adjust all equipment according to the local Codes. All health and safety regulations including those of OSHA, the State, the City, the County and the Housing Authority shall be adhered to.
- 2.8 Contractor shall provide ordinary maintenance and/or repair of the equipment due to normal wear and tear, and assume the cost of parts and labor.
- 2.8.1 Contractor shall provide every two months ordinary maintenance and repair services consisting of but not limited to:
- Ensure that all cameras, camera housings, conduit and wiring are in safe and operating condition;
 - To clean camera lenses to ensure maximum viewing capacity; and
 - To inspect equipment for damage due to normal wear and tear or acts of vandalism.
- 2.9 If installation of new equipment is required based on maintenance site visits, if the repair cost exceeds the cost of replacement, the Contractor must receive prior written approval for replacement cost of equipment that is equivalent to the original equipment. Unless an emergent situation exists, installations will be at straight time, no overtime labor cost shall be approved.
- 2.10 All regular maintenance work shall be performed during regular business hours of 8:00 A.M. to 5:00 P.M. Monday through Friday. Contractor may be required to work pre-approved overtime for work which is considered emergency extraordinary repairs.
- 2.11 The Contractor shall not be responsible for the labor and materials to perform repairs or replacements, when the need for such work arises out of extraordinary incidents such as vandalism acts of God, third party negligence or special requests for repairs.

- 2.12 When repair or replacement become necessary due to extraordinary incidents such as described above the Contractor shall submit a written estimate of the cost for equipment and performing such work to the Manager of the Crime and Safety Unit or whoever has the responsibility for the work. The Contractors estimate should only reflect the fair market value for maintenance and/or repair services, including parts and labor. The Manager of the Crime and Safety Unit may upon review of such estimate authorize the Contractor to perform said work. If such estimate is not approved, the Housing Authority reserves the right to otherwise perform or contract the work.
- 2.13 The Contractor may be request to provide additional new equipment at various housing site locations. Contractor shall submit a written estimate of the cost for equipment and performing such work to the Manager of the Crime and Safety Unit or whoever has the responsibility for the work. The Contractors estimate should only reflect the fair market value for installation services, including parts and labor as required by the reference prevailing wage determinations. The Manager of the Crime and Safety Unit may upon review of such estimate authorize the Contractor to perform said work. If such estimate is not approved, the Housing Authority reserves the right to otherwise perform or contract the work.

Contractor shall provide a 90 day warranty for all equipment purchased and installed and a one year labor guarantee.



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

William K. Huang
Acting Executive Director

August 27, 2008

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle, California 91755

Dear Commissioners:

**APPROVE A 20-YEAR GROUND LEASE WITH A 5-YEAR RENEWAL OPTION
WITH THE CITY OF LONG BEACH (ALL DISTRICTS)**

SUBJECT

Approval of the 20-year Ground Lease Agreement, with a 5-year renewal option, will allow for the continuation of existing recreational and educational programs that are conducted at the Carmelitos Housing Development on approximately four acres of park land.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of the attached 20-year Ground Lease Agreement, with a 5-year renewal option, is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute the attached Ground Lease Agreement for a period of twenty years, to be effective November 1, 2008.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to execute a renewal option for an additional five years upon the same terms and conditions set forth in the attached Ground Lease Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On May 1, 1994, the Housing Authority entered into a 14-year Ground Lease Agreement with the City of Long Beach for the development of a soccer field on

approximately four acres of park land surrounded by the Carmelitos Housing Development (the "Ground Lease"). The park land is owned by the City of Long Beach and is leased to the Housing Authority for \$1.00 annually. On May 9, 1995, this Board authorized a Contract for the construction of a soccer field on the land. Since its construction, the Housing Authority has maintained the soccer field and the land.

The existing Ground Lease is scheduled to expire on October 31, 2008. Renewal of the Ground Lease will allow for the continuation of existing recreational and educational programs that are conducted at this location for the benefit of Carmelitos residents.

The attached Ground Lease has been approved as to form by County Counsel subject to your Board's approval.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The Ground Lease with the City of Long Beach will cost the Housing Authority an annual rate of \$1.00 per year.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Ground Lease attached hereto would renew the lease of the land by the Housing Authority for an additional 20 years (November 1, 2008 through October 31, 2028) at an annual lease rate of \$1.00 per year.

The Ground Lease contains an indemnification provision at Paragraph 16, which requires the Housing Authority to indemnify the City of Long Beach. Pursuant to this indemnification provision, the Housing Authority would be liable for expenses, including "reasonable attorney's fees," incurred by the City of Long Beach for acts of negligence on the part of the Housing Authority. This indemnification provision provides as follows:

"Lessee shall defend, indemnify and hold harmless Lessor, its officials, employees and agents from all claims, demands, damages, causes of action, losses, liability, costs or expenses, of any kind or nature whatsoever (collectively referred to in this Lease as a "claim" or "claims") which Lessor, its officials, employees, and agents may incur for injury to or death of persons or damage to or loss of property occurring in, on, or about the Premises arising from the condition of the Premises, the alleged acts or omissions of Lessee, Lessee's employees, or agents, the occupancy, use, or misuse of the Premises by Lessee, Lessee's employees, agents, approved subtenants, licensees, patrons, or visitors, or any breach of this Lease."

The language of this indemnification provision has been approved by the Housing Authority's Risk Manager.

The Ground Lease also contains a reasonable attorney's fees provision in the event of a breach of the Ground Lease by either the City of Long Beach or the Housing Authority. This attorney's fees provisions is located at Paragraph 33 and provides that:

"In any action or proceeding relating to this Lease, the prevailing party shall be entitled to its costs, including a reasonable attorney's fee."

In the absence of the above-referenced indemnification and attorney's fees provisions, the City of Long Beach would not renew the Ground Lease.

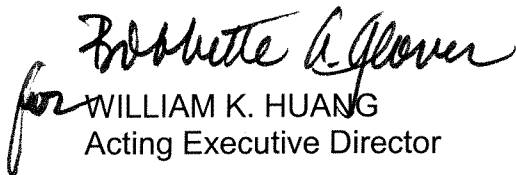
ENVIRONMENTAL DOCUMENTATION

This action is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.35 (a)(5) because it involves leasing activities that will not have a physical impact or result in any physical changes to the environment. This action is also exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROGRAMS

Renewal of the Ground Lease will allow a continuation of existing uses of the soccer field and the recreational and educational programs that are conducted at the Carmelitos Housing Development for the sole benefit of its residents.

Respectfully submitted,


WILLIAM K. HUANG
Acting Executive Director

WKH:MB:tl

Attachments (1)

LEASE

THIS LEASE is made and entered, in duplicate, as of November 1, 2008 for reference purposes only, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting held on July 22, 2008, by and between the CITY OF LONG BEACH, a municipal corporation ("Lessor"), and the HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES, a public body ("Lessee"), whose address is 2 S. Coral Circle, Monterey Park, CA 91755.

WHEREAS, Lessee provides recreational and educational programs for the residents of the Carmelitos Housing Development; and

WHEREAS, Lessee requires vacant land at and from which these programs can be afforded; and

WHEREAS, Lessor desires to provide such vacant land;

NOW THEREFORE, Lessor and Lessee, in consideration of the mutual terms, covenants, and conditions herein, agree as follows:

1. Leased Premises. Lessor hereby leases to Lessee and Lessee hereby accepts "as is" and leases from Lessor approximately four (4) acres of area of park land surrounded by the Carmelitos Housing Development, in the City of Long Beach, County of Los Angeles, California ("Premises") as show on attachment 1. Lessee acknowledges that Lessor has not made any warranty, express or implied, regarding the condition of the Premises.

2. Term. The term of this Lease shall commence at 12:01 a.m. on November 1, 2008, and shall terminate at midnight on October 31, 2028, unless sooner terminated as provided herein. The Lease may be extended for one (1) additional period of five (5) years at the sole discretion of the City Manager or its designee.

3. Rent. Lessee shall pay to Lessor as annual rent: (i) consideration in the form of valuable community services, and (ii) the sum of One Dollar (\$1.00), in advance, without deduction, set-off, notice, or demand, on the first day of November of

1 each year during the term of this Lease.

2 4. Use. A. The Premises shall be used as a multipurpose recreational
3 area. Premises shall be used by or for the benefit of the residents of the Carmelitos
4 Housing Development or their guest and invitees.

5 B. Lessee shall not use Premises in any manner that will create a
6 nuisance or unreasonable annoyance, or constitute waste. Lessee shall not sell, give
7 away or allow any alcoholic beverages on the Premises. Lessee shall not permit any
8 intoxicated person, profane language, or boisterous conduct in, on or about the Premises
9 and shall call upon the aid of peace officers to maintain the peace.

10 C. Lessee shall not make or permit any noise or odors that constitute a
11 nuisance within the meaning of California Civil Code Section 3479 or California Penal
12 Code Section 370.

13 D. In use of the Premises, Lessee shall comply with all laws, rules and
14 regulations applicable to wages and hours of employment, occupational safety,
15 hazardous materials disposal and use, and fire, health, sanitation and other safety.

16 E. Tenant shall obtain and keep in effect any licenses, permits, or
17 certificates required in the use of Premises.

18 F. No other use of the Premises is authorized or permitted.

19 5. Subsurface Restrictions. The parties agree that this Lease covers
20 only the surface of the Premises and only so much of the subsurface as is reasonably
21 necessary for Lessee's use of the Premises as permitted by this Lease.

22 6. Improvements. A. Lessee shall not erect, construct or maintain any
23 other improvements on the Premises without the prior written approval of the City
24 Manager. Lessor shall not be obligated to make any improvements to the Premises.

25 B. Any damage to the Premises, reasonable wear and tear accepted,
26 shall be repaired to the full satisfaction of Lessor, at Lessee's cost. Said repair may by
27 necessity, include replacement.

28 7. Destruction of Premises. If the Premises are damaged or destroyed,

1 in whole or in part, by causes covered in whole by fire and extended coverage insurance,
2 Lessee shall restore the Premises to their original condition, as improved. If the
3 Premises are damaged or destroyed, in whole or in part, by causes covered by fire and
4 extended coverage insurance so that the same cannot be repaired within ninety (90)
5 working days to substantially the same condition in which they existed immediately prior
6 to the happening of such casualty, then either Lessor or Lessee may, within ninety (90)
7 working days after the happening of such casualty, terminate this Lease as of the date of
8 said casualty. In the event of any termination of this Lease as provided in this Section,
9 Lessee shall immediately surrender the Premises to Lessor.

10 8. Maintenance. Lessee shall, at its sole cost and to the satisfaction of
11 Lessor, maintain the Premises and all improvements in good condition, in substantial
12 repair, in safe, clean, and sanitary condition to the satisfaction of Lessor, and in
13 compliance with applicable laws. Lessee's duty to maintain shall include the duty to
14 repair and replace any improvements as needed, and the duty of graffiti removal. Lessee
15 shall provide and use containers approved by Lessor for trash and garbage and keep the
16 Premises free of trash, garbage and litter. Lessee shall not use Lessor's trash containers
17 to fulfill its obligations hereunder. If Lessee fails to keep and maintain the Premises as
18 required herein, Lessor may notify Lessee of said failure specifying the reasons
19 therefore. If Lessee fails to correct the situation within sixty (60) days thereafter or such
20 longer period as may be established by Lessor, Lessor may make the necessary
21 correction and the cost thereof, including but not limited to the cost of labor, materials,
22 equipment and administration, shall be paid by Lessee as additional rent within thirty (30)
23 days after receipt of a statement of said cost from Lessor. Lessor may, at its option,
24 choose other remedies available herein by law. Lessee hereby waives to the extent
25 permitted by law any right to make repairs at the expense of Lessor or to vacate the
26 Premises in lieu thereof as may be provided by law. Lessor shall have no obligation to
27 perform any maintenance or otherwise to maintain the Premises.

28 9. Utilities. Lessor shall not provide any utilities. Lessee shall arrange

1 for and pay for the installation and use of all utilities of whatever kind to the Premises.

2 10. Insurance. Lessee shall procure and maintain, at its cost, from an
3 insurer admitted in California or having a rating of A:VIII or better by A.M. Best &
4 Company the following insurance:

5 Comprehensive General Liability insurance or self insurance with a
6 combined single limit of at least One Million Dollars (\$1,000,000) for each occurrence for
7 Two Million Dollars (\$2,000,000) general aggregate. Lessor, its officials, employees and
8 agents shall be covered as insureds with respect to liability arising from activities
9 performed by or on behalf of Lessee on the Premises. Said insurance shall be primary
10 insurance with respect to Lessor and shall include a cross liability protection.

11 Upon the execution of this Lease, Lessee shall deliver to Lessor certificates
12 of insurance with original endorsements evidencing the coverage required by this Lease.
13 The certificates and endorsements shall be signed by a person authorized by the insurer
14 to bind coverage on its behalf. Lessor reserves the right to require complete certified
15 copies of all policies at any time.

16 Said insurance shall contain an endorsement requiring thirty (30) days' prior
17 written notice from insurers to Lessor before cancellation or change of coverage.

18 Said insurances may provide for such deductibles or self-insured retention
19 as may be acceptable to Lessor's City Manager or his designee. In the event such
20 insurance does provide for deductibles or self-insured retention, Lessee shall fully protect
21 Lessor, its officials, and employees in the same manner as these interests would have
22 been protected had the policy or policies not contained deductibles or retention
23 provisions. With respect to damage to property, Lessor and Lessee hereby waive all
24 rights of subrogation but only to the extent that collectible commercial insurance is
25 available for said damage.

26 Not more frequently than every three (3) years, if in the opinion of Lessor or
27 of an insurance broker retained by Lessor, the amount of the foregoing insurance
28 coverages is not adequate, Lessee shall increase the insurance coverage as required by

1 Lessor.

2 The procuring of said insurance shall not be construed as a limitation on
3 Lessee's liability or as full performance on Lessee's part of the indemnification and hold
4 harmless provisions of this Lease; and Lessee understands and agrees that,
5 notwithstanding any insurance, Lessee's obligation to defend, indemnify and hold Lessor,
6 its officials and employees harmless hereunder is for the full and total amount of any
7 damage, cause of action, loss, expense, cost, or liability caused by the condition of the
8 Premises or in any manner connected with or attributed to the acts or omissions of
9 Lesser, its officers, agents, employees, licensees, invitees, or visitors, or the operations
10 conducted by Lessee, or Lessee's use, misuse or neglect of the Premises.

11 11. Hazardous Materials. No goods, merchandise, supplies, personal
12 property, materials, or items of any kind shall be kept, stored, or sold in or on the
13 premises which are in any way explosive or hazardous. Lessee shall comply with
14 California Health and Safety Code Section 25359.7 or its successor statute regarding
15 notice to Lessor on discovery by Lessee of the presence of any hazardous substance on
16 the Premises. "Hazardous substance" means any hazardous or toxic substance, material
17 or waste which is or becomes regulated by the City, the County of Los Angeles, the State
18 of California or the United States government.

19 12. Default. The occurrence of any of the following acts shall constitute
20 a default by Lessee:

- 21 a. Failure to pay rent when due after thirty (30) days notice;
- 22 b. Abandonment and vacation of the Premises, providing that failure to
23 occupy the Premises for ten (10) consecutive days shall be deemed an abandonment
24 and vacation, except for closures due to conditions beyond Lessee's control;
- 25 c. Failure to perform any of the terms, covenants, and conditions of this
26 Lease if said failure is not cured within thirty (30) days after notice of said failure. If the
27 default cannot reasonably be cured in thirty (30) days, Lessee shall not be in default if
28 Lessee begins to cure within the (30) thirty day period and diligently proceeds to cure to

1 completion. Notice shall describe the default. No such notice shall be deemed a
2 forfeiture or termination of the Lease unless Lessor so elects in the notice;

3 These remedies are not exclusive but cumulative to other remedies
4 provided by law in the event of Lessee's default, and the exercise by either party of one
5 or more rights and remedies shall no preclude either party's exercise of additional or
6 different remedies for the same or any other default by Lessee.

7 13. Right of Entry. Lessor shall have the right of access to the Premises
8 at all reasonable times to inspect the Premises, to determine whether or not Lessee is
9 complying with the terms, covenants, and conditions of this Lease, to serve, post, or keep
10 posted any notice, and for any other legal purpose. Lessor shall also have the right to
11 enter at any time in case of emergencies. Lessee shall not be entitled to compensation
12 of any kind or abatement of rent for any inconvenience, nuisance, or discomfort
13 occasioned by Lessor's entry whether or not such entry is in the case of emergency.
14 Lessor's right of entry shall include use of photographic, video or other recording devices.

15 14. Condemnation. If the whole or any part of the Premises shall be
16 taken by any public or quasi-public authority under the power of eminent domain, then
17 this Lease shall terminate as to the part taken or as to the whole, if taken, as of the day
18 possession of that part or the whole is required for any public purpose, and on or before
19 the day of the taking Lessee shall elect in writing either to terminate this Lease or to
20 continue in possession of the remainder of the Premises, if any. All damages awarded
21 for such taking shall belong to Lessor, whether such damages be awarded as
22 compensation for diminution in value to the leasehold or to the fee provided, however,
23 that Lessor shall not be entitled to any portion of the award made for loss of Lessee's
24 business.

25 15. Nondiscrimination. Subject to applicable laws, rules and regulations,
26 Lessee shall not discriminate against any person or group on the basis of age, sex,
27 sexual orientation, gender identity, AIDS, AIDS related condition, HIV status, marital
28 status, race, religion, creed, ancestry, national origin, disability, handicap, or veteran

1 status with respect to the use of the Premises.

2 16. Indemnification. Lessee shall defend, indemnify and hold harmless
3 Lessor, its officials, employees and agents from all claims, demands, damages, causes
4 of action, losses, liability, costs or expenses, of any kind or nature whatsoever
5 (collectively referred to in this Lease as a "claim" or "claims") which Lessor, its officials,
6 employees, and agents may incur for injury to or death of persons or damage to or loss of
7 property occurring in, on, or about the Premises arising from the condition of the
8 Premises, the alleged acts or omissions of Lessee, Lessee's employees, or agents, the
9 occupancy, use, or misuse of the Premises by Lessee, Lessee's employees, agents,
10 approved subtenants, licensees, patrons, or visitors, or any breach of this Lease.

11 17. Waiver of Claims. Lessor shall not be liable for and, to the extent
12 permitted by law, Lessee hereby waives all claims against Lessor, its officials,
13 employees, and agents for loss, theft, or damage to equipment, furniture, trade fixtures,
14 records, supplies, and any other property, and landscaping and hardscaping on or about
15 the Premises, or for injury to or death of persons on or about the Premises from any
16 cause except to the extent caused by the gross negligence or willful misconduct of
17 Lessor, its officials, employees, or agents.

18 18. Assignment or Sublease. Lessee shall not assign or transfer this
19 Lease or any interest herein, nor sublease the Premises or any part thereof for any
20 reason, including but not limited to, any sub-lease or Transfer of the Premises by Lessee
21 to any person or entity desiring to install, erect, maintain, or operate any form of wireless
22 communication on the Premises.

23 19. Relocation. Lessee agrees that nothing contained in this Lease shall
24 create any right in Lessee for any relocation assistance or payment pursuant to the
25 provisions of Title 1, Division 7, Chapter 16 of the California Government Code from
26 Lessor on the expiration or termination of this Lease.

27 20. Notices. Any notice or approval hereunder shall be in writing and
28 either personally delivery or deposited in the U.S. Postal Service, first-class, postage

1 prepaid, and addressed:

2 To Lessor: City of Long Beach
3 333 West Ocean Boulevard
4 Long Beach, CA 90802
5 Attn: Director of Parks, Recreation and Marine

6 To Lessee: The Housing Authority of the County of Los Angeles
7 2 S. Coral Circle
8 Monterey Park, CA 90022
9 Attn: Mr. Carlos Jackson

10 Such Notices shall be effective two (2) days after the date of mailing or on
11 the date personal delivery is given, whichever first occurs.

12 21. Waiver of Rights. The failure or delay of Lessor to insist on strict
13 enforcement of any term, covenant, or condition herein shall not be deemed a waiver of
14 any right or remedy that Lessor may have and shall not be deemed a waiver of any
15 subsequent or other breach of any term, covenant, or condition herein. The receipt of
16 and acceptance by Lessor of delinquent rent shall not constitute a waiver of any other
17 default but shall only constitute a waiver of timely payment of rent. Any waiver by Lessor
18 of any default or breach shall be in writing. Lessor's consent to or approval of any act by
19 Lessee requiring Lessor's consent or approval shall not be deemed to waive Lessor's
20 consent or approval of any subsequent act of Lessee.

21 22. Compliance with Laws. Lessee, at its sole cost, shall comply with
22 all laws, ordinances, rules and regulations of and obtain such permits, licenses, and
23 certificates required by all federal, state and local governmental authorities having
24 jurisdiction over the Premises and business thereon.

25 23. Successors in Interest. This Lease shall be binding on and inure to
26 the benefit of the parties and their successors, heirs and personal representatives and all
27 of the parties hereto shall be jointly and severally liable hereunder.

28 24. Force Majeure. Except as to the payment of rent, in any case where
either party is required to do any act, the inability of that party to perform or delay in
performance of that act caused by or resulting from fire, flood, earthquake, explosion,
acts of God, war, strikes, lockouts, or any other cause whether similar or dissimilar to the

1 foregoing which is beyond the control of that party and not due to that party's fault or
2 neglect shall be excused and such failure to perform or such delay in performance shall
3 not be a default or breach hereunder. Financial inability to perform shall not be
4 considered cause beyond the reasonable control of the party.

5 25. Partial Invalidity. If any term, covenant, or condition of this Lease is
6 held by a court of competent jurisdiction to be invalid, void or unenforceable, the
7 remainder of the provisions hereof shall remain in full force and effect and shall in no way
8 be affected, impaired or invalidated thereby.

9 26. Time. Time is of the essence in this Lease, and every provision
10 hereof.

11 27. Governing Law. This Lease shall be governed by and construed in
12 accordance with the laws of the State of California.

13 28. Integration and Amendments. This Lease represents and constitutes
14 the entire understanding between the parties and supersedes all other agreements and
15 communications between the parties, oral or written, concerning the subject matter
16 herein. This Lease shall not be modified except in writing signed by the parties and
17 referring to this Lease.

18 29. Joint Effort. This Lease is created as a joint effort between the
19 parties and fully negotiated as to its terms, covenants, and conditions and nothing
20 contained herein shall be construed against either party as the drafter.

21 30. Relationship of Parties. The relationship of the parties is that of
22 Lessor and Lessee, and the parties agree that nothing contained in this Lease shall be
23 deemed or construed as creating a partnership, joint venture, principal-agent relationship,
24 association, or employer-employee relationship between them or between Lessor and
25 any third person or entity.

26 31. Abandoned Personal Property. If Lessee abandons the Premises or
27 is dispossessed by operation of law or otherwise, title to any personal property belonging
28 to Lessee and left on the Premises forty-five (45) days after such abandonment or

1 dispossession shall be deemed to have been transferred to Lessor. Lessor shall
2 thereafter have the right to remove and to dispose of said property without liability to
3 Lessee or to any person claiming under Lessee, and shall have no duty to account
4 therefore. Lessee hereby names Lessor's City Manager as Lessee's attorney in fact to
5 execute and deliver such documents or instruments as may be reasonably required to
6 dispose of such abandoned property and transfer title thereto.

7 32. No Recordation. This Lease shall not be recorded.

8 33. Attorney's Fees. In any action or proceeding relating to this Lease,
9 the prevailing party shall be entitled to its costs, including a reasonable attorney's fee.

10 34. Captions and Organization. The various headings and numbers
11 herein and the grouping of the provisions of this Lease into separate sections,
12 paragraphs and clauses are for convenience only and shall not be considered a part
13 hereof, and shall have no effect on the construction or interpretation of this Lease.

14 35. Americans with Disabilities Act of 1990. Lessee shall have and be
15 allocated the sole responsibility to comply with the Americans with Disabilities Act of 1990
16 ("ADA") with respect to the Premises and Lessee shall defend, indemnify and hold
17 Lessor, its officials and employees harmless from and against any and all claims of
18 failure to comply with or violation of the ADA.

19 36. Holding Over. If Lessee holds over and remains in possession of the
20 Premises after the expiration of this Lease such holding over shall be construed as a
21 tenancy from month to month at a monthly rent of \$10.00 per month and otherwise on the
22 same terms, covenants, and conditions contained in this Lease.

23 37. Restrictions. Lessee shall not drill, cause to be drilled, or allow to be
24 drilled (except by the Long Beach Water Department) any wells on the Premises. Lessee
25 shall not grant any franchises, easements, rights of way, or permits in, on or across the
26 Premises.

27 38. Reservation by Lessor for the Long Beach Water Department. A.
28 Lessor for and on behalf of the Long Beach Water Department reserves the right to

1 operate, construct, maintain, repair, replace and remove storm drains, water, sewer, pole,
2 oil and gas pipe lines; to drill, maintain, and operate water, oil and gas wells; to construct,
3 maintain and operate buildings, pumping plants, machinery, reservoirs, tanks and other
4 structures and equipment necessary and convenient therefore, and to do all things
5 necessary or convenient in connection therewith on the Premises; to grant franchises,
6 easements, permits and leases for said purposes; and the right of ingress and egress for
7 said purposes; provided, however, that all of these reserved rights may be exercised
8 over, on and through only those portions of the Premises not occupied by any building of
9 Lessee.

10 B. If Lessor exercises any of these reserved rights, Lessee may terminate
11 this Lease by giving to Lessor ten (10) days' prior notice of its intention to do so.

12 C. Lessee shall not drill any wells on the Premises, nor grant any
13 franchises, easements, or rights of way in, on, across, through or under the Premises.

14 41. Termination by Lessee. If during the term of this Lease, any law, rule, or regulation
15 becomes effective the provisions of which so restrict the uses to which the Premises can
16 be put that Lessee is unable to use the Premises in the manner contemplated herein,
17 then Lessee may terminate this Lease by giving thirty (30) days' prior notice of same to
18 Lessor.

19 39. Surrender of Premises. On the expiration or sooner termination of
20 this Lease, Lessee shall deliver to Lessor possession of the Premises in substantially the
21 same condition that existed immediately prior to the date of execution hereof, reasonable
22 wear and tear excepted. Lessee shall demolish or remove all improvements constructed
23 or placed on the Premises, and leave the Premises in a clean condition provided,
24 however, that lessee shall not be required to demolish or remove improvements
25 constructed of concrete. However, Lessor may, in its sole discretion, take ownership and
26 possession of all improvements, at not cost to Lessor, in which case the improvements
27 shall not be demolished or removed.

28 40. Termination by Lessee. If during the term of this Lease, any law,

rule, regulation becomes effective the provisions of which so restrict the uses to which the Premises can be put that Lessee is unable to use or successfully operate the Premises in the manner contemplated herein, then Tenant may terminate this Lease upon thirty (30) days prior notice to Lessor.

41. Lessor's Right to Re-Enter. Lessee shall peaceably deliver possession of the Premises to Lessor on the date of expiration or termination of this Lease. On notice of termination to Lessee, Lessor shall have the right to re-enter and take possession of the Premises on the date such termination becomes effective without further notice of any kind and without institution of summary or regular legal proceedings. Termination of the Lease and re-entry of the Premises by Lessor shall in no way alter or diminish any obligation of Lessee under the Lease and shall not constitute an acceptance or surrender. Lessee waives any and all right of redemption under an existing or future law or statute in the event of eviction from or dispossession of the Premises for any reason or in the event Lessor re-enters and takes possession of the Premises in a lawful manner. Lessee agrees that if the manner or method employed by Lessor in re-entering or taking possession of the Premises gives Lessee a cause of action for damages or in forcible entry and detainer, then the total amount of damages to which Lessee shall be entitled in any such action shall be One Dollar (\$1.00). This Section may be filed in any such action and, when filed, it shall be a stipulation of Lessee fixing the total damages to which Lessee is entitled in such action.

42. Remedies. Upon the occurrence of any default, in addition to any other rights or remedies of Lessor hereunder, by law, or in equity, Lessor shall have the following rights and remedies:

(a) Lessor may terminate this Lease by giving to Lessee notice of termination, and Lessee shall immediately surrender possession of the Premises in the condition described elsewhere in this Lease. Termination shall not relieve Lessee from the payment of any sum due to Lessor or any claim for damages by Lessor. Lessor shall be entitled to recover from Lessee all damages incurred by Lessee including but not

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 limited to the cost of recovering possession, expenses of reletting including renovation
2 and alteration, and real estate commissions paid. These remedies are not exclusive but
3 cumulative to other remedies provided by law or in equity in the event of Lessee's default,
4 and the exercise by Lessor of one or more rights and remedies shall not preclude
5 Lessor's exercise of additional or different remedies for the same or any other default by
6 Lessee.

7 43. Miscellaneous. Each provision of this Lease shall be deemed both a
8 covenant and a condition. All rights and remedies of Lessor under this Lease shall be
9 cumulative and the exercise of one shall not exclude any other.

10 IN WITNESS WHEREOF, the parties hereto have caused these presents to
11 be duly executed with all of the formalities required by law as of the date first stated
12 above.

13 THE HOUSING AUTHORITY OF THE
14 COUNTY OF LOS ANGELES, a public body

15 _____, 2008 By _____

16 _____
17 Type or Print Name

18 _____
19 Title

20 _____, 2008 By _____

21 _____
22 Type or Print Name

23 _____
24 Title

25 "Lessee"

26 ///

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28 ///

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333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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CITY OF LONG BEACH, a municipal
corporation

_____, 2008 By _____
City Manager
"Lessor"

APPROVED AS TO FORM:
Raymond G. Fortner, Jr. City Counsel

Dated: _____, 2008 By: _____
Deputy

APPROVED AS TO PROGRAM:
Housing Management Division

Dated: _____, 2008 By: _____
Signature

(Print name here)

This Lease is approved as to form on _____, 2008.

ROBERT E. SHANNON, City Attorney

By _____
Deputy

700 E Via Carmelitos, Long Beach, CA 90805-6518

